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Pepperdine University
Graduate School of Education and Psychology

LEADERSHIP STYLES AND PSYCHOLOGICAL CAPITAL IN A HOME IMPROVEMENT
ORGANIZATION

A dissertation submitted in partial satisfaction
of the requirements for the degree of
Doctor of Education in Organizational Leadership

by

Mark C. Leonard

November, 2016

Paul R. Sparks, Ph.D. – Dissertation Chairperson

This dissertation, written by

Mark C. Leonard

Under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

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DEDICATION

I want to dedicate this dissertation and all the hard work to my wife Rebecca. Without her support and love, I would not be half the man I am today. She has trodden the hard path to support me in my educational endeavors and this dissertation is a reflection of her leadership. To my children, I pray that you will strive to fill your life with the pursuit of education and self-betterment. May each of you increase in hope, optimism, resiliency, and efficacy. Lastly, I dedicate my research to my Father in Heaven. Through this process I have learned more about His great love for each of His children.

VITA

Mark C. Leonard

Qualifications Profile

Highly talented, agile, and results-driven training and development leader offering immeasurable success in providing expert advice and consultation to a number of organizations on topics such as leadership development, change management, product management, and eLearning/training. Exhibit superior talents in defining clients' needs or requirements coupled with noteworthy ability to analyze data in order to recommend learning and development solutions utilizing knowledge of theory, principles, and technology of specific discipline to improve business processes' efficiency and productivity. Familiar with MBTI, DiSC, 360 Assessments, PsyCap, and MLQ. Accustomed to working with C-Level executives and key stakeholders to implement profitability-enhancing programs to achieve solid bottom-line results. Excel at establishing positive relationships with people of diverse background; extreme capability to multitask in a globally competitive, fast-paced environment.

Key Strengths

- *Learning and Development Best Practices*
- *Organizational and Program Development*
- *Strategic, Tactical, and Budget Planning*
- *Learning Goals and Objective Evaluation*
- *Superior Interpersonal and Presentation Skills*
- *Leadership Training and Team Building*
- *Mobile Learning Strategy*
- *Continuous Process and Performance Improvement*
- *Adult Learning and Education*
- *Problem Resolution and Decision Making*

Education

DOCTOR OF EDUCATION IN ORGANIZATIONAL LEADERSHIP: ABD - Graduation: May 2016

■ Pepperdine University, Malibu, CA

Dissertation – “Leadership Styles And Psychological Capital In A Home Improvement Organization”

MASTER OF SCIENCE IN INSTRUCTIONAL TECHNOLOGY: 2004

■ Utah State University, Logan, UT

BACHELOR OF SCIENCE IN COMPUTER INFORMATION SYSTEMS: 2001

■ Southern Utah University, Cedar City, UT

Career Progression

SEARS HOLDINGS ■ LONGWOOD, FL

Learning and Development Business Unit Partner

2013–present

Manage and direct the learning and development strategy for field associates and home office support. Develop programs that improve performance, have measurable results, and impact business efficacy. Partner with business line leaders to determine annual learning strategy. Strategic and tactical advisor to the core business leadership.

- ◆ Strategic visionary for leadership development
- ◆ Oversee complex learning development of HVAC training school for new technicians with focus on advanced skillset development, improve product sales, and decrease attrition
- ◆ Facilitate leadership development workshops including DiSC, Inspiring Trust, and Transition to Leadership
- ◆ Utilize positive deviance studies to determine development opportunities
- ◆ Manage, own, and execute project plans from cradle to grave
- ◆ Speaker at national leadership meeting for the past three years
- ◆ Develop learning strategy based on business key objectives
- ◆ Identify key behaviors that impacted sales success and developed strategy to address gap
- ◆ Coach senior leadership team on leadership behaviors, attributes, and models
- ◆ Partnered with stakeholders (internal and external) to identify key learning and development opportunities
- ◆ Created global training strategies for clients and internal partners (Kirkpatrick Level 3)
- ◆ Performed user, needs, and gap analysis
- ◆ Evaluated learning and development strategy by maintaining and reporting key metrics
- ◆ Implemented blended learning strategies
- ◆ Translated business priorities into learning solutions

IMMERSIVE TECHNOLOGIES ■ SALT LAKE CITY, UT

eLearning Business Unit Manager

2012–2013

Lead and directed the global strategy as well as product management of the eLearning and Instructor Led Training initiatives to support the training and safety in the mining industry. Reported and worked directly with the president, vice president, and owners of Immersive, dedicated vendors, and clients. Main role was to ensure the successful launch, integration, training, and future enhancements of the learning products utilizing Kirkpatrick Evaluation Model.

- ◆ Partnered with stakeholders (internal and external) to identify key learning and development opportunities
- ◆ Integrated eLearning product line into the current Immersive Technologies Complete and Scalable Solution
- ◆ Designed a change management plan to create a solution based sales mentality
- ◆ Increased internal training satisfaction from 36% to 83% in 3 months (Kirkpatrick Level 4)
- ◆ Led the sales strategy that increased closed sales to over \$500,000 in 6 months
- ◆ Increased the pipeline from \$0 to over \$7 million in the first 9 months
- ◆ Strategic management of product line and market entry
- ◆ Created global training strategies for clients and internal partners (Kirkpatrick Level 3)
- ◆ Developed best of practice curriculum flow for online eLearning, instructor led training for a learning management system (LMS)
- ◆ Performed user, needs, and gap analysis
- ◆ Evaluated learning and development strategy by maintaining and reporting key metrics
- ◆ Implemented blended learning strategies at client sites
- ◆ Managed the exclusive vendor partnership relationship
- ◆ Built internal capabilities by conducting global training visits and conferences
- ◆ Developed global sales and promotional tools (Kirkpatrick Level 2)
- ◆ Represented the company at several global conferences, presentations, and sales meetings
- ◆ Traveled to international client sites and offices to develop training strategies
- ◆ Successfully developed and wrote the integrated business plan
- ◆ Utilized Microsoft Office and Excel to analyze metrics, trends, and opportunities
- ◆ Internal adult education expert
- ◆ Expert knowledge of the ADDIE model (Analysis, Design, Development, Implementation, Evaluation)

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (LDS CHURCH) ■ SALT LAKE CITY, UT

Learning and Development Product Manager

2004–2012

Applied dynamic leadership talents to employees and facilitate training to newly hired employees to develop their competencies and achieve their maximum level of potential. Provided expert advice to C-level leaders on current trends and opportunities. Managed several international print, eLearning, and technology project budgets. Trained and managed international staff to enhance

their skills on emerging technology, production, and global awareness. Determined operational business requirements and created business cases to test requirements. Established long-term quality relationships with internal and external clients by addressing their concerns and ensuring their utmost satisfaction. Sought after as an expert on employee team management and culture. Regularly traveled to Korea, Japan, Germany, and France to train and support global employee base.

- ◆ Directed the vision and strategy for learning solutions within a global organization
- ◆ Facilitated training meetings to drive alignment with corporate values and organizational effectiveness
- ◆ Presided over the international rich media development for global brand awareness products
- ◆ Demonstrated cultural awareness by creating and leading several international committees that define product mission and success metrics
- ◆ Developed succession plan for several teams
- ◆ Secured internal and external resources to effectively manage projects
- ◆ Exemplified learning and facilitation expertise, and masterfully led multiple train-the-trainer seminars and instructor lead classes
- ◆ Functioned as product/project manager for audiovisual-based eLearning, mobile applications, and websites
- ◆ Initiated the design and development of mobile applications paired with social networking features
- ◆ Effectively addressed key stakeholders cross department, organization, and globally on learning strategies
- ◆ Instrumental in creating project scope documents, budget, and schedule for numerous international products
- ◆ Identified, interviewed, and successfully managed global vendor database
- ◆ Collaboratively worked with intellectual property legal team to ensure product's availability
- ◆ Conceptualized effective curriculum for live courses and eLearning curriculum
- ◆ Earned distinction for completing process and task analysis to help define project goals/scope to define business requirements
- ◆ Championed creative, intuitive, user friendly/centered, global web-based applications that support usability
- ◆ Managed global awareness and ensured products are localized to the culture of the people throughout the region
- ◆ Exemplified ability to take complex situations, diagrams, projects, requests, which later presented key stakeholders

Professional Affiliations

Member, American Society for Training & Development (ASTD)
 Member, International Society for Performance Improvement (ISPI)
 Unit Commissioner, Boy Scouts of America

ABSTRACT

The academic and corporate pursuit of many programs is to understand the implications of leadership styles on organizations. Countless research hours have been spent examining the leadership construct in the hope of developing programs that impact performance. Furthermore, there has been a recent surge in the study of Psychological Capital and the potential implications for human performance and development.

The purpose of this quantitative study was to understand the intersection of leadership styles, Psychological Capital, and productivity.

The study examined two research questions. The first research question examined what correlation exists between the styles of leadership as measured by the MLQ 5X, and psychological capital attributes (hope, efficacy, resiliency, and optimism) as measured by the PCQ of the field sales associates. The second research question strived to understand if there was a correlation between productivity, as measured by the average sales per person, and either psychological capital of the field associates, the styles of leadership, or both.

The leadership styles were measured using the MLQ 5X to determine if the leaders were transformational, transactional, or passive/avoidant. The MLQ 5X also measured the subscores of transformational leadership to see what relationship, if any, exists between the subscore and sales productivity. A total of 59 leaders in 28 districts completed the MLQ 5X.

The Psychological Capital of the sales team was measured using the PCQ to determine the overall PCQ score, as well as the subscores of hope, optimism, resiliency, and self-efficacy. A total of 151 sales associates in 28 districts completed the PCQ assessment.

The results of the study found that there was a positive correlation between leaders that coach and develop their sales team and teams that have higher sales. The research found that

leaders that were more transformational and generate satisfaction had higher sales performance. The analysis also indicated that leaders that were transformational had sales teams with higher self-efficacy. There was not a correlation between Psychological Capital and sales performance.

Chapter 1: Introduction

Introduction and Background

In the 2006 movie *Rocky Balboa*, the main character Rocky gave his son some advice on life.

Let me tell you something you already know. The world ain't all sunshine and rainbows. It's a very mean and nasty place and I don't care how tough you are it will beat you to your knees and keep you there permanently if you let it. You, me, or nobody is gonna hit as hard as life. But it ain't about how hard ya hit. It's about how hard you can get hit and keep moving forward. How much you can take and keep moving forward. That's how winning is done! Now, if you know what you're worth, then go out and get what you're worth. But you gotta be willing to take the hits, and not pointing fingers saying you ain't where you wanna be because of him, or her, or anybody. Cowards do that and that ain't you. (Chartoff & Stallone, 2006)

Rocky's intention was to give his son advice about becoming better and not allowing life's foibles and trials get in his way. In essence, Rocky exuded a type of leadership that was intended to inspire his son to rise above life's challenges.

The study of leadership has consumed countless hours worldwide and researchers have struggled to identify a clear definition of leadership (Northouse, 2010) or developed a concise set of behaviors that all successful leaders can prescribe. Marketers, authors, academics, and business have attempted to create a singular vision of leadership.

Peter G. Northouse (2010) stated that leadership is the culmination of process, influence, goals, and includes multiple people or groups. For the purpose of this study, the preceding

definition was utilized. As such, leadership is the study of both the processes and behaviors that develop both desirable and undesirable outcomes.

Similar to leadership, the focus of management is the setting of goals, decisions, business outcomes, and administrating the focal workings of an organization (Tschohl, 2014). The intense focus on outcomes can muddle the difference between leadership and management. Harvard professor and leadership innovator John Kotter described the differences between management and leadership by differentiating between the purposes of each. Management should create order and consistency, while leadership should create change and movement (Kotter, 1990).

Fred C. Lunenburg (2011) drew comparisons of the extremes of leadership and management in an attempt to demonstrate the subtle differences between the two ideologies (see Figure 1).

Category	Leadership	Management
Thinking Process	Focuses on people Looks outward	Focuses on things Looks inward
Goal Setting	Articulates a vision Creates the future Sees the forest	Executes plans Improves the present Sees the trees
Employee Relations	Empowers Colleagues Trusts & develops	Controls Subordinates Directs & coordinates
Operation	Does the right things Creates change Serves subordinates	Does the right thing Manages change Serves superordinates
Governance	Uses influence Uses conflict Acts decisively	Uses authority Avoids conflict Acts responsibly

Figure 1. Subtle leadership and management differences

The focus on leadership development and leadership behaviors is wise. It creates an organization that focuses on how to effectively lead and also develops a pipeline of future leaders. Organizations that focus on leaders that develop future leaders, or in other words,

servant leadership and transformational leadership, are creating future leadership success (Chi, Chung, & Tsai, 2011; Melchar & Bosco, 2010).

Organizations have spent millions of dollars on leadership development in the United States. According to the Association for Talent Development's 2013 *State of the Industry* report, there is an estimated \$164.2 billion spent on learning and development and upwards of 13.5% of the total amount spent was on leadership development (Miller, 2013). This focus on leadership development demonstrates the need for effective leadership training and organizational support that will drive organizational success and change (Kotter, 1990).

It is within the construct of leadership as an outward facing process where Kotter stated that leadership is intended to develop people, create vision, and produce change (Kotter, 1990). The change is intended to not only impact the organization, but also the employees.

Organizations, and as such the organizational leaders, exist to grow and develop companies, processes, and organizations.

There are many different leadership theories including trait theory, behavioral theories, contingency theories, leader-member exchange theories, and others. Each theory is based upon the leaders ability to influence a group toward a common goal (Robbins & Judge, 2011).

James MacGregor Burns (1978), considered one of the intellectual grandfathers of leadership studies, presented the idea that transformational "leaders and followers help each other to advance to a higher level of morale and motivation" (p. 20). Burns' research developed the ideology that leadership efficacy is impacted by both the leadership style and the followership behaviors. Avolio and Luthans furthered the study of leadership and introduced a model of authentic leadership (Avolio, 2011; F. Luthans & Avolio, 2003) which builds upon the foundations of transformational leadership (Burns, 1978). The model of authentic leadership explored the positive organizational behavior and positive psychological capacities of the

employees and strives to capture the leadership and employee behaviors that develop effective high performing teams.

Many studies have tried to explain the behaviors a leader maintains (Kest, 2006; Madlock, 2008; Northouse, 2010), but few studies have looked into the follower behaviors and traits, and the potential impact on the leader especially in a sales organization.

Psychological capital. Human capital is only part of the capital needed to run an effective organization. In addition to human capital, there is the traditional economic capital and social capital. Luthans et al. (2004) posits that in addition to the three capitals, there is also a need for psychological capital (see Figure 2).

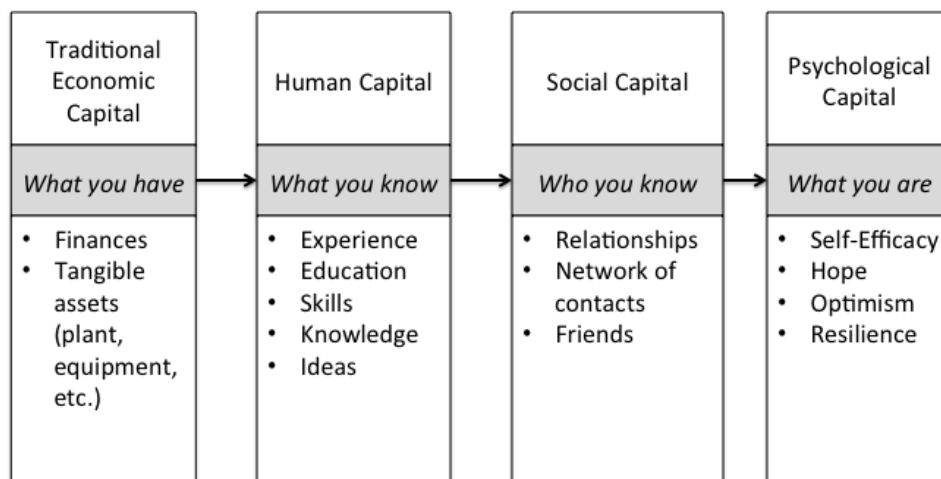


Figure 2. Four different types of capital

Psychological Capital, PsyCap, is considered a subset of organizational behavior and positive organizational outcomes (Avey, Luthans, Smith, & Palmer, 2010; F. Luthans, Avey, Avolio, & Peterson, 2010). Specifically, psychological capital impacts both the personal and work life by attaining “high levels of employee psychological well-being” (F. Luthans et al., 2010). The definition that Luthans, Youssef, and Avolio (2007) give to describe psychological capital is:

PsyCap is an individual's positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resiliency) to attain success.

(F. Luthans, Youssef, et al., 2007, p. 1)

The four traits that PsyCap focuses on are efficacy, optimism, hope, and resiliency (Avey, Luthans, et al., 2010; Cameron, Dutton, & Quinn, 2003b; F. Luthans, Avey, Avolio, Norman, & Combs, 2006).

Self-efficacy. Self-efficacy, or confidence, has been researched considerably and shown to have a high impact on employee performance (Bandura, 1997b; Locke, 2001; Stajkovic & Luthans, 1998a). Self-efficacy is derived from one's own belief that they can effectively complete a task or impact a potential outcome (Stajkovic & Luthans, 1998a). Within a sales organization, the ability to be confident has a direct impact on one's ability to successfully sell (Bandura, 1997b).

Hope. Professor C. Richard (Rick) Snyder is considered one of the pioneers of positive psychology and his research revolved mainly on hope and forgiveness. The theory which he pioneered, Hope Theory, has been used in clinical psychology (Snyder, 2002), business applications (F. Luthans & Avolio, 2003), and life satisfaction (Bailey, Eng, Frisch, & Snyder, 2007). Previous to this point, it was understood that hope was a belief that a person could attain one's goals (Cantril, 1965; Farber, 1968; Menninger, 1960). Snyder & Lopez (2005) furthered the understanding of hope by showing that hope is both the belief that one can "find pathways to desired success" and that the individual is motivated to use the identified pathway. Organizations

the maintained higher levels of hope were profitable, maintained success, and were more innovated (Giacalone & Jurkiewicz, 2003).

Optimism. Martin Seligman, one of the fathers of positive psychology, indicated that optimism can enhance ones life and improve work performance (M. E. P. Seligman, 2006). Optimism is a cognitive process in which positive expectancies are focused upon and actions align with the potential positive outcome (M. E. P. Seligman, 2006). Research has shown that employees with higher optimism tend to work harder and are more apt to overcome difficulties and setbacks (F. Luthans & Avolio, 2003). In the sales force, employees are faced with difficult customers, deals, and scenarios that impact the ability to close a sales deal. Those with higher optimism are able to overcome the difficulties and develop stretch goals (F. Luthans & Avolio, 2003) that will assist them in growing through the sales cycle (Adidam & Srivastava, 2001; Schulman, 1999).

Resiliency. Resiliency is defined as ones ability to bounce back or rebound from a difficult situation (F. Luthans & Avolio, 2003). This trait is demonstrated on the athletic field as athletes continue to rush towards one another despite blocks being placed in their way. It is not just found within the athletic arena, but also in the field of sales where doors are slammed, customers yell, and deals fall through and people keep working. The ability to be resilient to the ups and downs in any profession is more than a gift. The trait can be taught, practiced, and planned for so that sales teams can develop stronger resilient behaviors (Krush, Agnihotri, Trainor, & Krishnakumar, 2013).

Statement of the Problem

Many organizations attempt to improve organizational success by developing leadership through training courses and cultures. Large amounts of money are spent for execs to attend

leadership courses, classes, workshops, and other training sessions where the goal is to define and develop skills that will lead the organization through effective leadership behaviors. Hyper focus on leadership styles, behaviors, and skills can create an environment where the attention is solely on the leader, and not the strategic outcome of the leadership behaviors or the impact of the followers and employees. In essence, focus on the leadership styles only gives a partial view of the organizational strengths and needs.

Similarly, many organizations have training and development departments that focus on improving the efficacy of the workforce. Classes, courses, and workshops are offered at most levels of the organization with the intent to improve the employee and further organizational excellence. This focus on employee behaviors and psychological capital, without the regard for leadership development, develops a myopic view of the impact an employee has on the organizational goals. This nearsighted view does not explain the organizational picture, nor does it demonstrate the impact the employee may have on the leadership team.

This study explored the relationship of both leaders and followers to further understand if there is a correlation between the leadership styles, psychological capital, and productivity (see Figure 3). Within the study organization in particular, the relationship between leadership, followership, and productivity remains elusive. The researcher strove to understand the combination of leadership and followership styles that improved higher productivity.

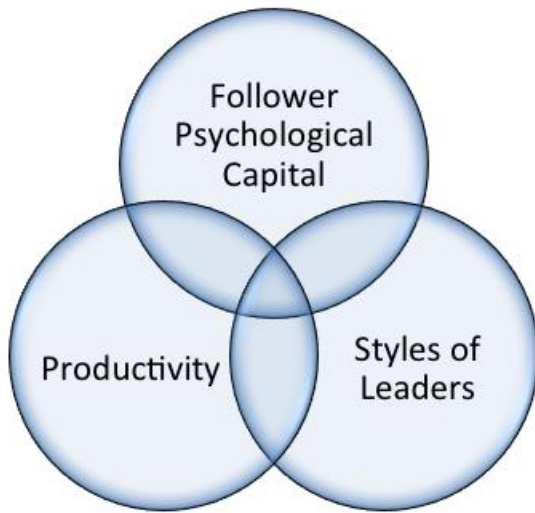


Figure 3. Potential relationship between follower psychological capital, leadership style, and productivity

Statement of the Purpose

Successful sales are predicated upon many factors, including price, product availability, marketing, and sales generation lead aggregators. The current landscape of organizations that provide home improvement is packed with companies that offer the same products and similar price points. The purpose of this study was to understand the intersection of psychological capital and leadership styles and productivity. A correlation analysis was utilized to compare the styles of leaders and the psychological capital of the followers.

Research Questions

In order to objectively measure the relationship, the study will identify the proximal outcomes (hope, optimism, efficacy, resiliency) of salespeople in a given geographic area to see if the average sales numbers of an area correlates to differing psychological capital averages. Additionally, the study identified if there are correlations between the psychological capital, as measured by the Psychological Capital Questionnaire, of the followers and the leadership styles, as measured by the Multifactor Leadership Questionnaire, of the leadership team.

Utilizing the Multifactor Leadership Questionnaire (MLQ 5X) and the Psychological Capital Questionnaire (PCQ) this study explored the potential relationship between the styles of leaders styles and the psychological capital of the followers. This research aimed to answer the following questions:

1. What correlation exists between the styles of leaders as measured by the MLQ 5X, and psychological capital attributes of followers (hope, efficacy, resiliency, and optimism) as measured by the PCQ in a national home improvement organization?
2. Is there a correlation between productivity and either psychological capital of the followers, the leadership style, or both?

Significance of the Study

In a competitive market, there are many attributes that both inhibit and improve organizational success. The stock market shares often define this success. Additionally there are other attributes that impact potential success including the success of a field sales unit. Many studies have explored the relationship of leadership and sales efficiency. Additionally, studies have illuminated the advantage that human performance through psychological capital has on sales. This study explored the relationship between leadership style and psychological capital, thus giving a further insight into the leader/follower construct. Furthermore, the study explored the leadership style and psychological capital to see if field sales unit that maintain higher psychological capital also maintain higher than average sales. If there is a correlative effect between leadership styles, PsyCap, and productivity, there will be further impetus to explore how to develop the organizational attributes that impact productivity.

Key Definitions

The following key definitions will be used throughout this study:

Region is a large geographic area consisting of states, namely those found in the North, South, and West.

Area is a smaller section of a region that may consist of a state or multiple states.

District is an even smaller geographic region that is found within an area. It may consist of a metropolitan area or larger urban tract.

Psychological capital (PsyCap) is a “positive psychological state of development that is characterized” (F. Luthans et al., 2006) by the capacities of hope, self-efficacy, optimism, and resiliency (F. Luthans et al., 2010; F. Luthans & Avolio, 2003; F. Luthans et al., 2004).

Hope is defined as “positive motivational state that is based on an interactively derived sense of successful (1) agency (goal directed energy) and (2) pathways (planning to meet goals)” (C. R. Snyder & Forsyth, 1991, p. 287).

Self-efficacy and confidence can be used interchangeably (F. Luthans & Avolio, 2003) and is defined by “an individual’s convictions (or confidence) about his or her abilities to mobilize the motivation, cognitive resources, and courses of action needed to successfully execute a specific task within a given context” (Stajkovic & Luthans, 1998b).

Optimism is “an explanatory style that attributes positive events to personal, permanent, and pervasive causes and interprets negative events in terms of external, temporary, and situation-specific factors” (F. Luthans, Youssef et al., 2007, pp. 90-91).

Resiliency is “defined as the ability or capacity to rebound or bounce back from adversity, uncertainty, conflict, failure, or even positive change, progress, and increased responsibility” (F. Luthans & Avolio, 2003, p. 255).

Psychological Capital Questionnaire (PCQ) is a 24-question valid and reliable instrument that measures the aggregate PsyCap group of hope, self-efficacy, optimism, and resiliency.

Multifactor Leadership Questionnaire (MLQ 5x) is a 45-question valid and reliable instrument that measures the scales of transformational, transactional, and passive/avoidant leadership styles.

Key Assumptions

In an effort to investigate the styles of leaders, the psychological capital of the followers, and productivity for the regional sales districts, several assumptions were addressed:

- The MLQ 5X and PCQ are valid and reliable instruments that can be analyzed to understand the leader and follower relationship.
- The data generated by PCQ will sufficiently represent the field sales associates in general.
- The data generated by the MLQ 5X will sufficiently represent the leadership team.
- The study participants will answer the questionnaires honestly and truthfully.
- The study will be a snapshot in time and will be based on the current sales data available for each district.
- Participants will have the ability to opt out of the study and it will conform with IRB protocol.

Limitations

Each study has limitations that the researcher may not be able to control (Roberts, 2010). This study was not longitudinal, and as such only viewed the current leadership styles of the management and psychological capital of the field sales associates at a given time. The snapshot in time study gave the researcher a peek of what may have happened in the organization as it pertains to leadership styles of the management team and the psychological capital of the sales force.

The study was performed after the peak-selling season when productivity averages are higher per person. Due to the nature of the business, the home improvement company might have had layoffs during the off-peak time that are tied to lower productivity. Although no layoffs were announced, the impact of an organizational change might have affected the results of the study.

The sample size may not have been large enough to correlate the leadership styles of the management team to the psychological capital of the sales associates. Although the organization has over 800 employees on the sales team, there is a chance that the sample size was not sufficient to draw significant statistical relevance.

The sample size may not have been large enough to correlate the psychological capital of the sales associates to the average district sales revenue. This limitation suggests that there may not be enough completed assessments returned during the data collection period. Significant attempts were made to collect the data but the limitation may reveal that there is potential low employee participation.

Summary

Leadership styles and behaviors have been studied in academia for many years. Thousands of books and courses have been developed to identify leadership strategies that positively impact the organization. Stemming from comments made by Martin Seligman (1998), there has been an increased awareness in regards to building human strength and efficacy through positive organizational behavior and psychological capital.

Field-based sales teams in a home improvement organization have varying levels of success. Sales teams compete to determine which district and area have the highest average sales numbers. Although all of the district teams receive the same training, products, and support,

there is no clear indicator as to which elements create the most successful teams, as measured by average sales.

This study examined the styles of leaders and the psychological capital of the followers to see if teams that have higher productivity averages also had a correlated PsyCap and prevalent leadership style.

Chapter 2: Literature Review

The literature review will begin with a discussion of leadership, and a potential definition of leadership. Following which a discussion of styles of leaders, specifically that of transformational, transactional, and passive/avoidant. An overview of the Multifactor Leadership Questionnaire will be discussed as the potential assessment that measures leadership styles. Psychological Capital will then be explored from the perspective of follower behaviors. The Psychological Capital Questionnaire will be discussed as an assessment instrument to measure follower behaviors of efficacy, hope, optimism, and resilience. The concluding discussions will be in regards to productivity and how styles of leaders and psychological capital of followers impact productivity.

Leadership Defined

Leadership is complex. It is not something easily defined, nor can it be explained by simple gimmicks (Kotter, 1988) or parlor tricks. According to Peter Northouse (2010) “Leadership is a process whereby an individual influences a group of individuals to achieve a common goal” (p. 30). Based on this definition leadership can be described as what you do and how you do it to affect change. According to James M. Kouzes and Barry Z. Posner,

Leadership development is self-development...The quest for leadership is first an inner quest to discover who you are. Through self-development comes the confidence needed to lead. Self-confidence is really awareness of faith in your own powers. These powers become clear and strong as you work to identify and develop them. (Kouzes & Posner, 2007, p. 344)

Based on the framework of self-awareness and self-development the more talents are identified, the greater the organizational potential (Clifton & Harter, 2003). It is in this self-

centric environment that leadership and culture are created. According to Kouzes and Posner (2007) everyone in the organization can be a leader regardless of position or title. It is the leaders who create culture (Schein, 2010). Therefore, culture is the aggregate of all members of an organization.

Leadership Styles

Since the beginning of time man has been trying to figure out what leadership characteristics make the best leader. Over the years several styles have been defined to help better clarify the impact of a leaders style within an organization. With how quickly the world is changing, in order to remain competitive in the work environment it is vital to understand the framework of leadership and how the differing styles affect the cultural impacts of the organization (van Eeden, Cilliers, & van Deventer, 2008).

Style Approach

One of the researchers at the forefront of leadership studies was Ralph M. Stogdill. While at Ohio State University, Stogdill and Coons (1957), studied leadership vociferously and postulated that there are two primary elements of leadership:

- a) Initiating structure, which deals with task behavior.
- b) Consideration for workers, which concerns relationships.

Robert S. Blake and Jane S. Mouton further clarified (1967) their previous research from 6 years previous that leadership conduct should be viewed in a three-dimensional plane rather than the previously defined two-dimensional plane. According to Blake there are three definitive planes: a) the horizontal axis focuses on production, b) the vertical axis deals with concern for people, and c) the “thickness or depth of a given style” (Blake & Mouton, 1967, p. 4). Similar in nature to Stogdill’s definition of leadership, Blake and Mouton enhanced the current thought

with the added dimension. Figure 1 depicts the three-dimensional managerial grid as represented by Blake and Mouton.

The managerial grid is based on a set of coordinates. In the lower left corner (1,1) the style has the least concern for people and production. The upper left corner (1,9) has high concern for people, but low concern to production. The lower right corner (9,1) has high concern for production, but low concern to people. The upper right corner (9,9) has both a high concern for people and production. In the middle (5,5) it is a “middle-of-the-road” style that seeks balance of production and people (Blake & Mouton, 1966). Each of these styles can be used to motivate and control “others by showing interest and using praise, or negatively, criticizing and using punishment” (Blake & Mouton, 1966). According to Blake (1966) a careless or even controlling manipulative manager can change the culture and tempo of the organization by utilizing and understanding the different styles indicated on the Grid (see Figure 4).

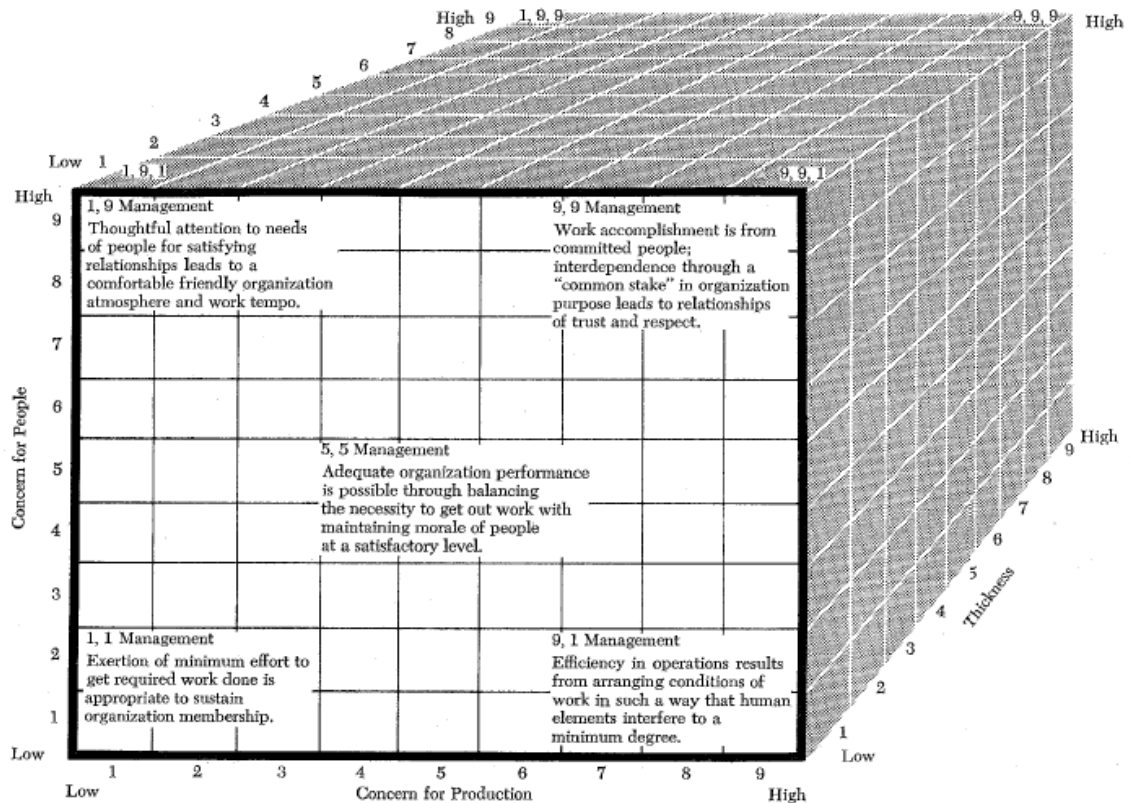


Figure 4. Management grid style. Adapted from "The Managerial Grid in Three Dimensions," by R. R. Blake and J.S. Mouton, 1967, *Training and Development Journal*, 21(1), p. 2. Copyright 1967 by EBSCO Publishing.

Three Major Leadership Styles

Although there are several theories and styles of leadership, there are three styles that have been studied and considered the major leadership styles: a) laissez-faire, b) transactional, and c) transformational (Avolio, 2011; Bass & Stogdill, 1990; Zagorsek, Dimovski, & Skerlavaj, 2009). The three major leadership styles can be considered on a continuum where the least people concerned style is laissez-faire, and the transformational is designed to help employees achieve their goals (Antonakis, Avolio, & Sivasubramaniam, 2003). Although the studies have focused primarily on leadership traits, it is believed that the more effective leaders have a combination of the three styles as depicted by Bass (van Eeden et al., 2008).

Bernard Bass and Bruce Avolio developed the Multifactor Leadership Questionnaire (MLQ and MLQ 5X) to measure where along the leadership continuum a leader resides as it relates to employee satisfaction.

Laissez-faire leadership. The term *laissez-faire* in French literally means to let people do as they choose (Merriam-Webster Inc., 2005). This style of non-leadership has not been studied as fervently as other leadership styles, but it is an active method of leading nevertheless (Skogstad, Einarsen, Torsheim, Aasland, & Hetland, 2007). Bernard M. Bass and Bruce J. Avolio (1990) have defined *laissez-faire* leadership as:

the absence of leadership, the avoidance of intervention, or both. With *Laissez-faire* (Avoiding) leadership, there are generally neither transactions nor agreements with followers. Decisions are often delayed; feedback, rewards, and involvement are absent; and there is no attempt to motivate followers or to recognize and satisfy their needs. (p. 20)

This form of leadership can be destructive to the organizational culture. Anders Skogstad et al. (2007) state that the *laissez-faire* leader creates an environment that elicits increased employee role stressors, role conflict and ambiguity, high conflict, and bullying techniques (see Figure 5). The overall impact of this leadership type is a detriment to the organizational culture as a whole.

One form of non-leadership is leading by bullying (Skogstad et al., 2007). Kelloway et al. (2005) states that leaders “who are abusive, aggressive, or punitive are a clear source of stress for individuals in the workplace” (p. 99).

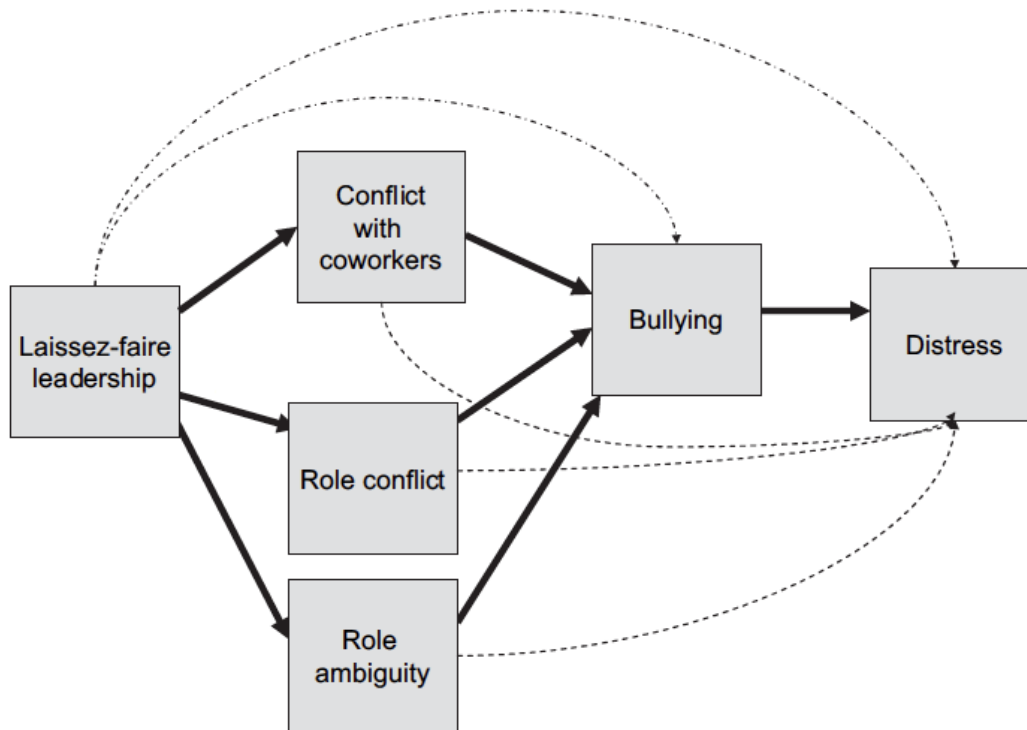


Figure 5. Laissez-faire leadership and bullying

Transactional leadership. Transactional leadership is rooted in the belief that “leaders exchange promises of rewards and benefits to subordinates for the subordinates' fulfillment of agreements with the leader” (Bass & Stogdill, 1990, p. 53). The leadership style is one in which the leader does not individualize employee needs, nor do they focus on employee development (Northouse, 2010). Rather, employees are rewarded based on performance (Sarros, Gray, & Densten, 2002).

There are three main styles of transactional leadership: contingent reward, active management-by-exception, and passive management by exception (Northouse, 2010; Sarros et al., 2002).

Contingent reward is based on a set of goals and deliverables. As an employee achieves their goals, their reward is contingent on how well they met or exceeded the stated goals. Contingent goals could be set based on piece-rate work, or longer term goals. A key to

employee success is to set realistic goals that both the employee and leader agree upon (Hollander, 1978).

Management-by-exception is either active or passive. In this style the leader only acts, or manages, when there is an issue or behavior that needs correcting or commending. Leonard Reber, the head of a drafting department at a manufacturing firm is an example of this leadership style: “He assigns projects to each of his people, with instructions to come to him if they have any problems. And they do. But he never goes to them, or hears from them when no problems arise” (Bensahel, 1975, p. 38). Although this tends to be successful in curbing improper behavior or techniques, it does not recognize those in the organization that are exceeding expectations.

Active management-by-exception is conceptualized by a manager who scours reports, or listens for actions that are not within policy, then approaches the employee with changes. The swiftness of corrective action based on open, fair communication is good, appropriate, and helps change culture by eliciting open dialog (Connors & Smith, 1999; Patterson, 2002).

Passive management-by-exception tends to materialize in a manner that is not upfront and immediate. This style is apparent when a manager does not say anything to the employee until a yearly review (Northouse, 2010) and can be damaging in the long run. According to Bass (1990) the passive approach is a “prescription for mediocrity”.

Both of these styles, active and passive, although can be effective, also have risks associated. When management-by-exception is exercised it can create a culture that is based on negative feedback and in turn lowers employee morale (Bensahel, 1975). Transactional leaders also do not appear to be concerned with the emotional needs of their employees (Bass, 1990).

Transformational leadership. To transform is to change and morph an entity into something different. Bass (1990) expressed that transformational leadership:

occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self-interest for the good of the group. (p. 21)

This leadership style tends to focus on the organizational objectives by building employee commitment (Stone, Russell, & Patterson, 2004; Yukl, 2002). Based on the research of James MacGregor Burns (Burns, 1978), and then later Bernard M. Bass (Bass, 1990; Bass & Avolio, 1990, 1994; Bass & U.S. Army Research Institute for the Behavioral and Social Sciences, 1996; Northouse, 2010; van Eeden et al., 2008) there are several traits that comprise transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. It is a combination of these factors that create transformational leadership.

Idealized influence is also known as charisma (Bass, 1990) and is at the heart of this leadership style. Bass believed that “transformational leadership can be learned, and it can – and should – be the subject of management training and development. Research has shown that leaders at all levels can be trained to be charismatic in both verbal and nonverbal performance” (Bass, 1990, p. 27).

When employees “respect, admire, and trust the leader” (van Eeden et al., 2008, p. 255) they are more apt to follow the leaders directives and requests. The leaders become role models that employees desire to follow and thus have a higher degree of trust in their leaders (Stone et al., 2004). Change brings about fear, anxiety, and frustration. Employees must trust their leader so as to be comforted during the elements of change (Kotter, 1996).

Idealized influence leaders also have the ability to have employees feel part of the organization, and thus cultural development, by having a shared vision (Jung & Avolio, 2000).

When leaders listen to their employees and followers, and are enthusiastically encouraging them to be successful in the vision, the organization will be more effective. In *The Leadership Challenge*, Kouzes and Posner (2007) postulate that it is imperative to enlist others as they appeal to common ideals and animate the vision:

Successfully engaging in these two essentials can produce very powerful results. In our research we found that when leaders effectively communicate a vision – whether it’s to one person, a small group, or a large organization – constituents report significantly higher levels of job satisfaction, motivation, commitment, loyalty, team spirit, productivity, and profitability. (p. 133)

The inspirational motivator is able to stimulate excitement through a shared vision and motivation (Northouse, 2010; Stone et al., 2004; van Eeden et al., 2008). Like a motivational speaker, the leader elicits an emotional bond between the leader, employees, and the organization. Through various communication methods, including written correspondence, one-on-one chats, team meetings, or company wide presentations, leaders communicate their vision, goals, and expectations (van Eeden et al., 2008).

Through these inspirational communications the leader builds relationships which create cultural bonds (Stone et al., 2004). Communication isn’t just important inside the organization.

According to Kouzes and Posner (2007):

leaders who are dedicated to getting extraordinary things done are open to receiving ideas from anyone and anywhere...Because they never turn their backs on what is happening outside the boundaries of their organizations, exemplary leaders are not caught by surprise when the waves of change roll in. (pp. 181-182)

Those leaders who communicate well, and elicit an emotional response from their employees foster enthusiasm throughout the organization by shifting values of all parties toward a common goal (Stone et al., 2004).

The intellectual stimulation factor of transformational leaders “stimulate their followers’ efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways” (Bass, 1998, pp. 5-6). It is in this constant search of innovation, both individual and organizationally, that leaders encourage people to stretch and grow (Kouzes & Posner, 2007).

This type of leadership inspires employees to think outside of the box and search for new ways of doing business and solving problems. Intellectual stimulation promotes intelligence, rationality, and careful problem solving (Bass, 1990). When employees make mistakes the leader should not publically criticize to punish (Bass, 1990; Stone et al., 2004). Instead the leader solicits and encourages employees to be creative, which builds organizational community in solving problems (Bass, 1998).

Employees, and leaders, are encouraged to question process on the path towards greater innovation,

Questioning the status quo is not only for leaders. Effective leaders create a climate in which others feel comfortable doing the same. If your organization is going to be the best it can be, everyone has to feel comfortable in speaking up and taking the initiative. (Kouzes & Posner, 2007, p. 186)

Employees who do this should not be made to feel ashamed or punished if their ideas do not match with the leaders preconceived ideas or processes (Bass, 1990, 1998; Bass & Riggio, 2006).

The final aspect of transformational leadership is that of individualized consideration. In this factor the leader acts as a coach and mentor to the individual employee (Northouse, 2010). By doing this the leader encourages individuals to achieve and grow (Avolio & Bass, 2002) through constant communication, listening, and feedback (Bass, 1998; Connors & Smith, 1999).

During the coaching phase the leader may delegate tasks (not to be confused with transactional leadership) that cause the employee to grow and be challenged (Bass, 1998; Northouse, 2010). Edgar H. Schein described this phenomenon as learning:

A paradox of learning leadership is that the leader must be able not only to lead but also to listen, to involve the group in achieving its own insights into its cultural dilemmas, and to be genuinely participative in his or her approach to learning and change... The leader must recognize that, in the end, cognitive redefinition must occur inside the heads of many members of the organization, and that will happen only if they are actively involved in the process. (Schein, 2010, pp. 382-383)

It is the individuals who make of the organization and its culture. When the leader sets the precedence and expectation, by creating a culture of openness and transformation, the organization will grow through higher levels of motivation (van Eeden et al., 2008).

Leaders who utilized transformational leadership tend to have employees and followers who trust and respect their leaders and therefor are willing to follow and yield power to them (Stone et al., 2004). Studies have suggested that leaders who exercise transformational leadership are perceived to be more effective than the leaders who only demonstrate transactional leadership (Lowe & Galen Kroeck, 1996; Northouse, 2010).

Table 1

Transformational Leadership Attributes

Functional Attributes	Accompanying Attributes
1) Idealized influence/charisma	Vision Trust Respect Risk-sharing Integrity Modeling
2) Inspirational motivation	Commitment to goals Communication Enthusiasm
3) Intellectual stimulation	Rationality Problem solving
4) Individualized consideration	Personal attention Mentoring Listening Empowerment

Note. Adapted from Stone, A.G., Russell, R.F., & Patterson, K. (2004). Transformational versus servant leadership: A difference in leader focus. *Leadership & Organization Development Journal*, 25(4), 349-361. Copyright 2004 by The Emerald Register.

Multifactor Leadership Questionnaire

The Multifactor Leadership Questionnaire, (MLQ), is a self-rated instrument that identifies leadership styles and behaviors that have been correlated to both organizational and individual success. This valid and reliable instrument is available from Mind Garden, Inc. and is

comprised of 45 questions. It is anticipated that each participant will complete the assessment in 15 minutes (Avolio & Bass, 2004).

The MLQ uses a Likert-scale for all questions, and each question is required. The scale consists of (0) not at all; (1) once in a while; (2) sometimes; (3) fairly often; and (4) frequently, if not always (Avolio & Bass, 2004).

The MLQ measures leadership behaviors and styles, and defines outcomes based on what Bass and Avolio describe as full range leadership (Antonakis, Avolio, & Sivasubramaniam, 2003b; Avolio, 2011; Avolio & Bass, 2004) and identifies characteristics and behaviors of leadership. The full range leadership model is outlined into three different characteristics, namely transformational, transactional, and passive/avoidant.

The instrument measures (Avolio & Bass, 2004) three different characteristics and nine different scales (see Table 2).

Table 2

MLQ Characteristics, Scales, and Scale Abbreviations

Characteristic	Scale Name	Scale Abbreviations
Transformational	Idealized Attributes or Idealized Influence (Attributes)	IA or II(A)
Transformational	Idealized Behaviors or Idealized Influence (Behaviors)	IB or II(B)
Transformational	Inspirational Motivation	IM
Transformational	Intellectual Stimulation	IS
Transformational	Individual Consideration	IC
Transactional	Contingent Reward	CR
Transactional	Management by Exception (Active)	MBEA
Passive Avoidant	Management by Exception (Passive)	MBEP
Passive Avoidant	Laissez-faire	LF

Note. Avolio, B. J., & Bass, B. M. (2004). *Multifactor Leadership Questionnaire Manual and Sample Set* (3rd ed.). Menlo Park, CA: Mind Garden, Inc. Copyright 1995, 2000, 2004 by Bernard Bass and Bruce Avolio.

The MLQ scale scores are average scores for each individual scale. The instrument asks questions that relate to the nine scales and each scale has for correlated questions each, giving a total of 36 questions. There are nine additional questions that relate to extra effort, effectiveness,

and satisfaction (Avolio & Bass, 2004). The full range leadership (Avolio, 2011) measured by the MLQ is consistent with the leadership styles discussed in the literature review thus far.

There are several other assessments that quantify leadership behaviors including the Leadership Practices Inventory (Posner & Kouzes, 1993), Center for Creative Leadership Benchmarks ® (McCauley & Van Velsor, 2004), and the Leadership Behavior Analysis (Blanchard, 2015). Each of the mentioned assessments are based wholly, or in-part, on a 360 rating. The MLQ 5X is self-rated and not dependent upon a larger pool of respondents or complexity. For the purpose of this study the MLQ 5x will be utilized.

MLQ example questions. Although the license does not allow for full reproduction of the instrument in a final dissertation, the researcher is allowed to present up to three questions from the MLQ as an example. The questionnaire is answered based on the respondents perception of what they believe their leadership style is (Avolio & Bass, 2004). The sample questions would be answered using a likert scale of Not at all (0) to Frequently, if not always (4).

- I provide others with assistance in exchange for their efforts.....0 1 2 3 4
- I avoid getting involved when important issues arise.....0 1 2 3 4
- I spend time teaching and coaching.....0 1 2 3 4

MLQ reliability. The MLQ has shown evidence of being a reliable instrument and internally consistent and stable over time (Avolio & Bass, 2004). Intercorrelated scores range from .70 to .83 (see Table 3) and is considered an acceptable range of reliability coefficients (McMillan & Schumacher, 2014).

Table 3

Intercorrelations of MLQ Scores

	II(A)	II(B)	IM	IS	IC	CR	MBEA	MBEP	LF
II(A)	(.75)								
II(B)	.64	(.70)							
IM	.68	.68	(.83)						
IS	.64	.59	.59	(.75)					
IC	.71	.60	.59	.68	(.77)				
CR	.67	.61	.62	.61	.68	(.69)			
MBEA	-.07	.02	.08	-.01	-.12	.01	(.75)		
MBEP	-.36	-.27	-.30	-.33	-.32	-.32	.10	(.70)	
LF	-.49	-.34	-.37	-.39	-.42	-.44	.08	.61	(.71)

Note. Number in parentheses are reliability scores. Avolio, B. J., & Bass, B. M. (2004). *Multifactor Leadership Questionnaire Manual and Sample Set* (3rd ed.). Menlo Park, CA: Mind Garden, Inc. Copyright 1995, 2000, 2004 Bass & Avolio

MLQ validity. The MLQ has shown evidence of being a valid instrument (Avolio & Bass, 2004) that allow researchers to “draw meaningful and useful inferences from scores” (Creswell, 2009, p. 149). In a meta-analysis of MLQ studies, Lowe & Galen Kroeck (1996) found that the MLQ has been used in various public and private corporations including military, financial, government, research and development, health care, and academia, and found that the instrument is valid across the domains. External validity reported that there is a strong positive correlation between the components of transformational and transactional leadership (Avolio & Bass, 2004; Lowe & Galen Kroeck, 1996).

Positive Organizational Behavior

While president of the American Psychology Association, Martin Seligman, introduced the term positive psychology (M. E. Seligman, 1998). Between World War II and the later 1900s, “traditional psychology focused almost exclusively on human pathology, or on what is wrong with and lacking in individuals” (Cameron, Dutton, & Quinn, 2003a, p. 7). This view of what is wrong led psychologists to focus on fixing broken people and problems (F. Luthans & Church, 2002; M. E. P. Seligman & Csikszentmihalyi, 2000). Psychologist after the war realized that they could make a living treating patients with mental illness (M. E. P. Seligman & Csikszentmihalyi, 2000). The announcement by Seligman based on the new focal point of positive psychology caused psychologist and academics alike to research the impact of positivity and strengths in a work setting (F. Luthans & Avolio, 2009; F. Luthans & Church, 2002) and not just in a clinical setting (M. E. P. Seligman & Csikszentmihalyi, 2000).

The term positive organizational behavior, or POB, was introduced in academic articles and research 13 years ago (F. Luthans, 2002; F. Luthans & Avolio, 2009; F. Luthans & Church, 2002). This shift from negative to positive focus developed a psychological movement that strived to understand the scientific methodology and theoretical understanding that allows “individuals, groups, organizations, and communities to thrive and prosper” (F. Luthans & Church, 2002, p. 58). Described as one of the fathers of Positive Organizational Behavior, Fred Luthans defines POB as “the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today’s workplace” (F. Luthans & Church, 2002, p. 59).

Within the definition of POB, is found the principle that POB should be measured, developed and managed. Kim Cameron and Gretchen Spreitzer (2012) suggest that there are five focal needs that researchers should address:

- *The need for more positivity.* Seligman contested that the psychological viewpoint for the preceding 50 years maintained that individuals were broken and thus needed to be fixed (M. E. P. Seligman & Csikszentmihalyi, 2000). One of the main tenets of POB is to discover what is right with an individual and learn from the strengths (Cameron & Spreitzer, 2012).
- *The need for evidence based positivity.* Hoping on the bandwagon, New York Times best selling authors wrote self-help books that were based on positivity. Authors such as Steven Covey, Kerry Patterson, and Jim Collins brought to light the importance of positivity. Their books, however, did not hold full academic rigor (F. Luthans & Avolio, 2009) and if POB is to stand on it's own will need to be backed by science (Cameron & Spreitzer, 2012; F. Luthans & Avolio, 2009).
- *The need for uniqueness.* The concept of positive psychology is not entirely new. Maslow included a chapter in his 1954 book on *Motivation and Personality* titled "Toward a Positive Psychology." The call for a unique focal research study is what Luthans and Avolio (2009) termed "old wine, old bottles, but perhaps a new restaurant" in an effort to engage new ways of approaching the constructs.
- *The need for developmental approach.* Closely related to the concept of the need for uniqueness, the new developmental approach is intended to address state-like (Youssef & Luthans, 2007) behaviors and capacities. State-like behaviors are those that can be flexed, developed, and matriculated. The new development approach that focuses on traits that can be built upon is beneficial to the workplace positivity (Avey, Luthans et al., 2010; Cameron & Spreitzer, 2012; Youssef & Luthans, 2007).

- *The need for performance orientation.* In today's competitive market, it is vital that organizations focus on training and development programs that positively impact the bottom line through performance improvement (Avey, Luthans et al., 2010; F. Luthans, Youssef et al., 2007). POB focuses on performance improvement measurements that have quantifiable impact on the organization (Cameron & Spreitzer, 2012).

Four positive psychology behaviors that fit the POB principle of being measured, developed, and managed are hope (C. R. Snyder, 2002), self-efficacy (Bandura, 1997b), resiliency (Masten & Reed, 2002), and optimism (M. E. Seligman, 1998). The four constructs of hope, efficacy, resiliency, and optimism are the four constructs (C. R. Snyder & Lopez, 2005) found within psychological capital (F. Luthans & Avolio, 2003; F. Luthans & Church, 2002). The topic of psychological capital will be covered in greater detail later in the chapter.

To further understand the potential impact of positive organizational behavior, it is important to discuss state and trait behaviors. Avey, Luthans, and Mhatre (2008) proposed that the difference between positive state and positive trait is where each falls on a continuum (see Figure 6). Positive states are those that are changeable and malleable (Avey et al., 2008) denoting that they can be learned, practiced, and improved upon. The positive states found within POB, specifically PsyCap, are more stable than emotions, mood, or happiness (Youssef & Luthans, 2007). Traits, on the other hand, are more ingrained, relatively stable, and not easily changed (F. Luthans & Youssef, 2007).



Figure 6. Positive state and positive trait continuum

In a study conducted by Avey, Luthans, and Mhatre (2008) they found that the “core self-evaluation traits were the most stable (.87), followed by personality (.76), PsyCap (.52), and positive emotions (.46)” (see Figure 7). As such they deemed that the differences between state and trait have more to do with the degree of stability as opposed to a separation of trait and state (Avey et al., 2008). This continuum would show that PsyCap is more stable than emotions, and less stable than personality traits.

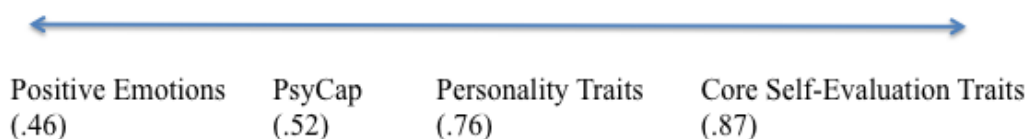


Figure 7. Positive emotion to core traits continuum

Luthans et al., (2007) further clarifies the differences between state-like and traits:

- Positive States – momentary and very changeable; represents our feelings. Examples could include pleasure, positive moods, and happiness.
- “State-Like” – relatively malleable and open to development; the constructs could include not only efficacy, hope resilience, and optimism, but also a case has been made for positive constructs such as wisdom, well-being, gratitude, forgiveness, and courage as having “state-like” properties as well (F. Luthans & Youssef, 2007).

- “Trait-Like” – relatively stable and difficult to change; represents personality factors and strengths. Examples could include the Big Five personality dimensions, core self-evaluations, and character strengths and virtues.
- Positive Traits – very stable, fixed, and very difficult to change. Examples could include intelligence, talents, and positive heritable characteristics.

The discussion of state like versus trait like behaviors is important. The behaviors that are state-like tend to be malleable, and therefore can be improved upon and developed (F. Luthans & Avolio, 2003; F. Luthans & Church, 2002; Youssef & Luthans, 2007). The state-like behaviors that the researcher will explore are hope, self-efficacy, resilience, and optimism. The combination of those four behaviors constructs the foundation of Psychological Capital.

Psychological Capital

Psychological capital is considered a subset of organizational behavior and positive organizational outcomes (Avey, Luthans et al., 2010; F. Luthans et al., 2010). Specifically, psychological capital, PsyCap, impacts both the personal and work life by attaining “high levels of employee psychological well-being” (F. Luthans et al., 2010). The definition that Luthans, Youssef, and Avolio (2007) give to describe psychological capital is:

PsyCap is an individual’s positive psychological state of development and is characterized by: (a) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (b) making a positive attribution (optimism) about succeeding now and in the future; (c) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (d) when beset by problems and adversity, sustaining and bouncing back and even beyond (resiliency) to attain success. (F. Luthans, Youssef, et al., 2007, pp. 1)

The four traits that PsyCap focuses on are self-efficacy, optimism, hope, and resiliency (Avey, Luthans et al., 2010; Cameron et al., 2003b; F. Luthans et al., 2006). PsyCap can be utilized to explore the efficacy of team performance as well as individual performance (F. Luthans, Avolio, & Avey, 2014; S. J. Peterson, Luthans, Avolio, Walumbwa, & Zhang, 2011). There is evidence that individuals and collective teams that have high psychological capital also have desirable characteristics such as satisfaction, performance, and well-being (S. J. Peterson et al., 2011; Youssef & Luthans, 2007); individuals and teams that have low psychological capital tend to have less desirable characteristics such as attrition, deviance, and cynicism (S. J. Peterson et al., 2011). Figure 8, adapted from research conducted by Avey, Reichard et al. (2011) represents the different attributes and summarizes the relationships of desirable and undesirable attitudes of psychological capital. The meta-analysis conducted by Avey et al. found that psychological capital “on average increased positive outcomes by 28%, while decreasing the negative outcomes by 24%” (Avey, Reichard et al., 2011, p. 146).

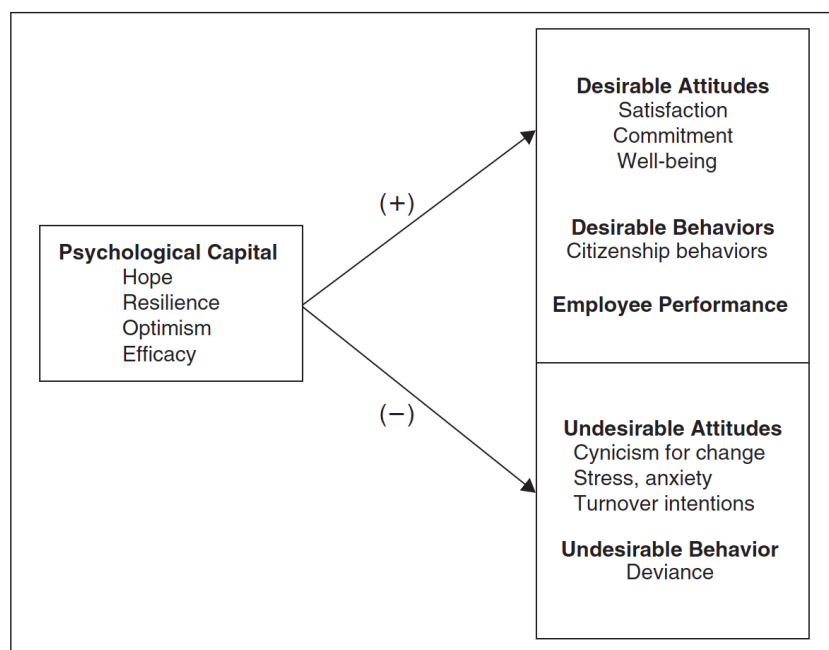


Figure 8. Positive and negative effect of PsyCap

Self-efficacy. Self-efficacy, or confidence, is the belief that an individual can impact the outcome of a situation through one's own capabilities, cognitive ability, and motivation (Bandura, 1997a; Newman, Ucbasaran, Zhu, & Hirst, 2014; Stajkovic & Luthans, 1998a). Self-efficacy has been studied deeply and has theoretical and research support (Bandura, 1986, 1997b, 2009).

Of the four psychological capacities, research on self-efficacy is arguably the “most extensive and accepted” (F. Luthans et al., 2006). Studies have shown that there is a strong positive relationship with work-related performance (Bandura, 2009; F. Luthans et al., 2006; Stajkovic & Luthans, 1998a) and Luthans et al. (2007) further elucidates that individuals that are more “self-efficacious are distinguished by five important characteristics” (p. 38).

- They set high goals for themselves and self-select into difficult tasks.
- They welcome and thrive on challenge.
- They are highly self-motivated.
- They invest the necessary effort to accomplish their goals.
- When faced with obstacles, they persevere.

Individuals with the five characteristics have the ability and capacity to perform effectively with less leadership input and direction (F. Luthans, Youssef et al., 2007). Their ability to focus on the challenges and rise above times of trouble, stress, obstacles, or previous failure has little effect on their self-efficacious belief in their ability to overcome the challenges (Bandura & Locke, 2003). Thus, those individuals that have higher efficacy levels are more productive in the workplace (Bandura, 2009; F. Luthans, Youssef et al., 2007).

The belief in one's own capabilities stems from the “agentic perspective of social cognitive theory” (Bandura, 1997b, 2009). Agentic, or to be one's own agent, lends to the belief that a person can contribute and change potential outcomes and not be a product of the

environment or circumstances (Bandura, 2009). Within the construct of authentic leadership, Luthans and Avolio (2003, p. 252) further expanded Bandura's initial research by pontificating:

The more efficacious the individual: (a) the more likely the choice will be made to really get into the task and welcome the challenge, (b) for more effort and motivation will be given to successfully accomplish the task, and (c) the more persistence there will be when obstacles are encountered.

The highly self-efficacious individual as described by Bandura would be considered a high performer and tend to have higher individual sales performance numbers (S. J. Peterson et al., 2011).

Optimism. Based on the seminal works of Martin Seligman (M. E. Seligman, 1998; M. E. P. Seligman, 2006; M. E. P. Seligman & Csikszentmihalyi, 2000), optimism is an “explanatory style that attributes positive events to personal, permanent, and pervasive causes and interprets negative events in terms of external, temporary, and situation-specific factors” (F. Luthans, Youssef et al., 2007, pp. 90-91). Optimists generally take credit for what they have accomplished and have a belief that the desired outcomes are in their control (F. Luthans, Youssef et al., 2007). When faced with negative conditions or feedback, an optimist will view the event through a lens of curiosity that may rationalize the negative feedback. Those that have an optimist viewpoint often appear happier (Scheier & Carver, 1985; M. E. P. Seligman, 2006) and more energized both physically and mentally (F. Luthans & Avolio, 2003).

The flip side of optimism is pessimism. A pessimist may view the negative feedback as a personal character flaw and tend to blame themselves for the negative feedback (F. Luthans, Youssef et al., 2007). If something positive does impact the pessimist, they may chalk up the experience and feedback as good luck or timing. By nature, pessimists tend to have the appearance of being glum or negative (Scheier & Carver, 1985).

Optimism “is not simply cold cognition, and if we forget the emotional flavor that pervades optimism, we can make a little sense of the fact that optimism is both motivated and motivating” (C. Peterson, 2000, p. 45). Individuals that have higher optimism are more motivated to work harder; have higher morale; develop stretch goals; persevere in the face of difficulty; have higher aspirations; and view setbacks or failures as temporary (F. Luthans, 2003). It could be said that optimism breeds and leads to success (Sharot, 2011).

Researchers suggest that optimism is state-like based on theory and empirical evidence (F. Luthans & Avolio, 2003; F. Luthans, Youssef et al., 2007; M. E. P. Seligman, 2006). Those that have higher optimism positively impact individual workplace performance (F. Luthans, Avolio, Avey, & Norman, 2007; M. E. Seligman, 1998) as well as sports, politics, and other facets of life (C. Peterson & Seligman, 2004).

Hope. C.R.Snyder, in his book *Psychology of Hope: You can Get Here from There*, proposes that “Hope is the sum of the mental willpower and waypower that you have for your goals” (C. R. Snyder, 1994, p. 5). Hope can be broken down into three distinct components – goals, willpower, and waypower.

A goal is a potential outcome, target, or desire that we have imagined (C. R. Snyder, 1994). Therefore a goal is something that we want to obtain or accomplish. One simplistic model for a goal is to compare two different states with an individual's anticipation of moving from State A to State B (see Figure 9). Snyder clarified the term goal as a thinking state that enables the individual to determine realistic outcomes through mental targets and action sequences (C. R. Snyder, 2002). Although there are two types of goals, including short and long term, goal efficacy is derived more particularly from specific goals rather than vague reflections (C. R. Snyder, 2002). The goals an individual sets become the anchor under which willpower and waypower exist.

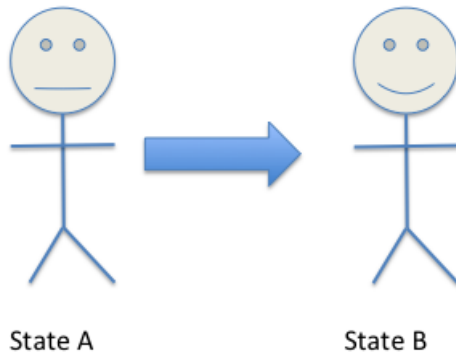


Figure 9. Goal to move from State A to State B

The willpower aspect of hope sets the stage for the directed energy and control (see Figure 10) that an individual will put forth to accomplish the goal (F. Luthans, Youssef et al., 2007). Researchers further describe willpower as agency or agency thinking (F. Luthans, Youssef et al., 2007; C. R. Snyder, 2002). This aspect of hope is described as a positive motivation to accomplish the task or goal (F. Luthans, Youssef et al., 2007).

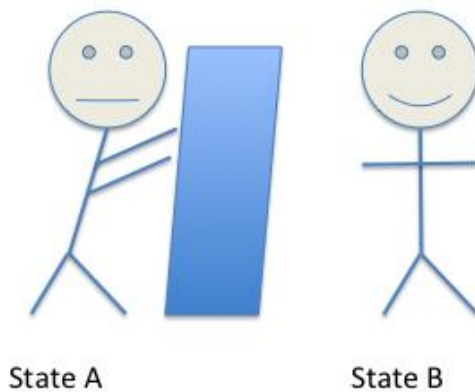


Figure 10. Willpower

Waypower is an individual's ability to create a pathway in order to accomplish the goal that one anticipates completing (C. R. Snyder, 2002). Those with low hope tend to only see or explore one pathway that they can migrate; while an individual with high hope can explore

several different pathways (see Figure 10) in order to accomplish goal (C. R. Snyder, 1999, 2002). Luthans further describes waypower as a pathway (F. Luthans, Youssef, et al., 2007).

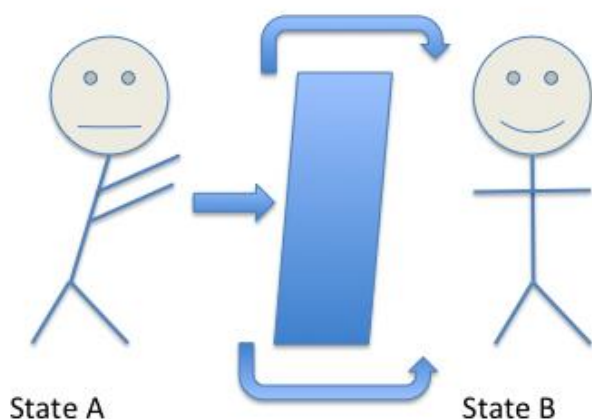


Figure 11. Waypower

Although hope appears to be similar to efficacy, optimism, and resiliency, Snyder et al. (1996) has established independent measurement and discriminate validity between the four constructs and further clarifies that the four constructs are not a proxy for one another. The combination of willpower and waypower to achieve a realistic goal is the basis for the construct of hope found within psychological capital (F. Luthans & Avolio, 2003).

Several researchers have found the positive relationship between workplace performance and hope (F. Luthans, 2002; F. Luthans, Avolio, Avey et al., 2007; F. Luthans, Youssef et al., 2007). Adams et al., found that there is a positive relationship between employee hope and organizational profitability (Adams et al., 2003).

Resiliency. Psychologist definition of resiliency have traditionally focused on the ability for at-risk children to recover from abuse and dysfunctional families and then lead “normal” lives (F. Luthans, Youssef et al., 2007). Positive organizational psychology prefers to look at the

positive construct on resiliency and define it is “as the ability or capacity to rebound or bounce back from adversity, uncertainty, conflict, failure, or even positive change, progress, increase responsibility” (F. Luthans & Avolio, 2003, p. 255). The essence of resiliency is an individual’s ability to bounce back regardless of a positive or negative situation.

Individuals that are resilient in nature possess “three characteristics: the staunch acceptance of reality; a deep belief, often buttressed by strongly held values, that life is meaningful; and an uncanny ability to improvise” (Coutu, 2002, p. 48). Resilience has a significant positive relationship with an attitude of satisfaction, commitment, and happiness (F. Luthans et al., 2014) as well as job satisfaction (Larson & Luthans, 2006).

Resiliency can be developed utilizing three factors: a) risks, to reduce stressors; b) assets, to improve the amount or quality of resources; and c) process, to mobilize psychological adaptation systems (Larson & Luthans, 2006; F. Luthans & Avolio, 2003; Masten & Reed, 2002). Sutcliffe and Vogus (2003) suggest that individuals are much more likely to be resilient if they have the sufficient quality resources (i.e., human, social, emotional capital), and when they can master their motivation by recalling experiences that build their resiliency. When resources and mobility are employed, it reduces the risks and stressors (Masten & Reed, 2002; Sutcliffe & Vogus, 2003).

Resiliency is considered developmental and adaptable (Sutcliffe & Vogus, 2003) and therefore is state-like in nature (F. Luthans & Avolio, 2003). Unlike hope, optimism, and self-efficacy, resiliency is reactionary (Larson & Luthans, 2006). The reactionary system of resiliency is impacted by the usage of support persons to develop systems to overcome negative environments (Larson & Luthans, 2006).

Psychological Capital Questionnaire

The four variables of psychological capital of self-efficacy, hope, optimism, and resiliency work together to create a multi-dimensional construct (Law, Chi-Sum, & Mobley, 1998) and as such are considered a psychological resource (Hobfoll, 2002).

Psychological Capital (PsyCap) is “an individual’s positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success.” (F. Luthans, Youssef et al., 2007, p. 3).

The Psychological Capital Questionnaire is a 24-question instrument that has been studied in research and “has undergone extensive psychometric analyses and support from samples representing service, manufacturing, education, high-tech, military and cross cultural sectors” (F. Luthans, Avolio, & Avey, 2007, p. 4). The four dimensions that PsyCap measures are hope, efficacy, resilience, and optimism.

The instrument is a self-evaluation where the individuals will select how much they agree with the statements in the questionnaire. The 24 questions are all based on a six-point likert scale (see Figure 12) and are rated by the individual.

1	2	3	4	5	6
Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree

Figure 12. PCQ Six-point likert scale

The PCQ scores are calculated by averaging all of the responses for a given dimension. Each of the four constructs of PsyCap is measured individually based on the construct being measured (F. Luthans et al., 2014). The higher the average score of the construct, the more likely the individual will utilize the construct. Therefore, if a person scores high in resilience, they will more likely recover or bounce back after adversity or conflict (F. Luthans et al., 2014). Similarly, a high average score for hope would denote that the individual is more likely to develop multiple pathways to accomplish a goal (F. Luthans et al., 2014).

Although each construct is measured and averaged individually by group, the aggregate of the four combined constructs show that there is a high relationship with performance compared to each construct individually (F. Luthans et al., 2014). Luthans, Avolio et al., (2007) clarified this point by denoting that the overall PsyCap aggregate was related to performance and satisfaction compared to the each of the constructs alone.

Each of the scales within the instrument are relevant to the workplace (F. Luthans et al., 2014; F. Luthans, Youssef et al., 2007). The results from the PCQ, specifically for higher aggregate PsyCap scores, show a statistically significant relationship to workplace performance and satisfaction (F. Luthans, Youssef et al., 2007).

PCQ reliability. The PCQ instrument is calculated to be reliable and the overall PsyCap measurement is consistently above the conventional standards (F. Luthans, Avolio, & Avey, 2007). According to Luthans et al. (2007) the “Cronbach alphas were as follows: hope (.72, .75, .80, .76); efficacy (.75, .84, .85, .75); resilience (.71, .71, .66, .72); optimism (.74, .69, .76, .79); and overall PsyCap (.88, .89, .89, .89)” (p. 555). Although two of the samples fell below the .70 threshold, the overall PsyCap demonstrates the reliability.

PCQ validity. The four constructs of efficacy, hope, resilience, and optimism have shown to have discriminant validity in several studies (Bryant & Cvenegros, 2004; Carifio &

Rhodes, 2002; Dawkins, Martin, Scott, & Sanderson, 2013; Magaletta & Oliver, 1999).

Furthermore, each unique construct, when added upon each other, suggests convergent validity (F. Luthans, Youssef et al., 2007). According to the PCQ Manual (F. Luthans et al., 2014) is not related to age, education, or the personality dimensions of agreeableness and openness. It does, however, have a “strong positive relationship with core self-evaluations (.60)” (F. Luthans et al., 2014, p. 21).

Productivity

Can leadership and leadership styles impact organizational effectiveness? This question has been at the heart of leadership effectiveness studies.

Lieberson and O’Connor (1972) suggest that leadership is a variable that does not impact organizational performance of an company due to the organizations environmental constraints. They argued that the leadership variance has a smaller effect on sales and net earnings and “has a strong effect on profit margins” (Lieberson & O’Connor, 1972, p. 129). Their duplicitous comments seem to contradict each other and gives evidence to the idea that the measurement of performance has been contested (Liu & Van Dooren, 2015).

Joseph Latona (1972) strived to answer Lieberson’s and O’Connor’s viewpoint of leadership and productivity with a more positive approach on how leadership behaviors produce productive organizations. A year long study of nine metropolitan offices (Latona, 1972) found that leaders which embodied a democratic leadership trait had 18 % higher group productivity compared to the next highest group. The leaders that maintained a democratic leadership trait tended to (Latona, 1972):

- Be a spokesperson and defender for their employees
- Allowed for increased interaction between employees

- Encouraged group goals
- Allowed employees to be part of the decision making process
- Utilized rewards to motivate employees

Measuring Productivity

“An organization is productive if it achieves its goals by transforming inputs into outputs at the lowest cost. Thus productivity requires both effectiveness and efficiency” (Robbins & Judge, 2011, p. 24). Productivity can be measured in a variety of ways including absenteeism (Gosselin, Lemyre, & Corneil, 2013), attrition (Chang & Tuckman, 1991), revenue (Petersen, 2007), and job satisfaction (Petty, McGee, & Cavender, 1984).

Transformational Leadership Impact on Productivity

The effects of transformational leadership can be felt at all levels of an organization (Bass & Avolio, 1993). Shannahan, Bush, and Shannahan (2013) suggest that transactional leaders impact the organization by a) generating employee effort, b) increase employee expectations, c) increase employee goal accomplishment, d) develop employee efficacy, and e) creating employee personal commitment. It has been found that transformational leaders that embody charismatic behaviors increase productivity, performance, and job satisfaction (Masi, 2000).

Idealized influence attributes. According to Avolio and Bass (2004), leaders that have idealized influence attributes are respected by their employee because they instill pride, develop others for the good of the group, and build respect within the team. Research has found that leaders that have attributes that influence their teams through idealized influence attributes have a direct positive impact on organizational success and profitability (Valdiserri & Wilson, 2010).

Idealized influence behaviors. Leaders that have the idealized influence behaviors are likely to talk about values, beliefs, purpose, and the ethical considerations (Avolio & Bass,

2004). Bass (1985) suggested that the leaders that have idealized influence behaviors are charismatic. The employees mimic the behaviors that the leaders demonstrate (Sadeghi & Pihie, 2012) and as such are role models (Moss & Ritossa, 2007). Research has found that leaders that have attributes that influence their teams through idealized influence behaviors have a direct positive impact on organizational success and profitability (Valdiserri & Wilson, 2010).

Inspirational motivation. The inspirational motivation leader finds meaningful work and challenges for those that they lead (Avolio & Bass, 2004). This leader motivates others to achieve higher results through developing a future vision that can be achieved. The goals and vision that the leader sets are strengthened through optimism (Antonakis et al., 2003). Bass (1997) found that the words that are used to create motivation in the sales process has a positive impact on increased sales. Given this, inspirational motivation has an impact on productivity and sales.

Intellectual stimulation. This transformational attribute encourages followers to be innovative and creative (Limsila & Ogunlana, 2008) by questioning assumptions and seeking to solve problems in new ways (Avolio & Bass, 2004). A study found that there is a significant relationship between leaders that promote intellectual stimulation and unit financial sales success (Barling, Weber, & Kelloway, 1996).

Individual consideration. This leadership attribute is demonstrated when leaders listen with intent to understand the individual needs (Bass & Avolio, 1994) and provide coaching and encouragement (Yukl, 2002). Shannahan, Bush, and Shannahan (2013) found that leaders that coach sales teams have higher than average sales performance. They compared leaders that coach to athletic coaches that develop athletes. The view they took did not state that the sales performance was based on the leaders ability to coach, but rather the sales persons willingness to be coached (Shannahan et al., 2013). Further insight into the coach and sales relationship is

further defined by the symbiotic relationship between the two roles where “a sequence of conversations and activities that provides ongoing feedback and encouragement to a salesperson or sales team member with the goal of improving that person’s performance” (Corcoran, 1995, p. 118). Sales coaching is a substantial opportunity for organizations to improve sales performance and productivity (Corcoran, 1995). Armstrong (2001) noted that the transformational leadership style is similar to athletic and sales coaching, wherein the outcome is increased productivity.

Transactional Leadership Impact on Productivity

Transactional leadership has two sets of behaviors associated with being either constructive or corrective (Avolio & Bass, 2000). These behaviors are further explained through contingent reward and management-by-exception: active.

Contingent reward. The constructive behavior is based upon a contingent reward wherein there is an agreement between the leader and the employee in regards to the expectations and performance standards (Avolio & Bass, 2004). Contingent reward is viewed as having a positive effect on performance (Howell & Avolio, 1993) due to a leader setting an expectation, and the employee agreeing to the expectation. The reward is based upon the achievement of the expectations. Thus, contingent reward is positively related to employee performance (Podsakoff, Todor, & Skov, 1982).

Management-by-exception: Active. This form of leadership is characterized by leaders that focus on mistakes, exceptions, and deviations from expected employee performance (Avolio & Bass, 2004). Leaders that actively seek negative exceptions impacted performance in a negative manner, and as such negatively impacted organizational performance (Howell & Avolio, 1993).

Passive/Avoidant Behavior Impact on Productivity

Leaders that are passive or avoidant do not respond to organizational situations in a systematic fashion (Avolio & Bass, 2004). This avoidant style has a negative impact on desired outcomes and is further described as being either management-by-exception: passive or laissez-faire (Avolio & Bass, 2004).

Management-by-exception: Passive. The leader that is passive does not actively seek out employee performance variances. This leader tends to wait until the problem becomes more serious or waits until employee performance has demonstrated a chronic state of out of order (Avolio & Bass, 2004). As leaders wait to address employee performance, it has a direct negative impact on organizational performance (Howell & Avolio, 1993). The lack of feedback and communication have a detrimental effect upon an employees individual performance (Valdiserri & Wilson, 2010).

Laissez-faire. Leaders that are laissez-faire are not effective communicators and do not promote employee contributions (McGuire & Kennerly, 2006). As leaders do not communicate, or set organizational goals, responsibility for individual performance will erode (Eagly, Johannesen-Schmidt, & van Engen, 2003) and organizational results will diminish (Bass & Bass, 2008). Valdiserri and Wilson (2010) found that laissez-faire leaders had the least positive effect of organizational profitability, meaning that the unit leaders that were laissez-faire had the lowest profitably when compared to units that had leaders that were either transformational or transactional.

Leadership style impact on productivity. The following Table 4 lists each of the leadership styles, as measured by the MLQ 5X and lists if there is a positive or negative impact on productivity as measured by sales or profitability. The positive or negative impact on productivity is based on the literature discussed earlier.

Table 4

Leadership Attribute Impact on Productivity

Leadership Attribute	Impact on Productivity
Transformational Leadership	
Idealized Influence	Positive
Idealized Behavior	Positive
Inspirational Motivation	Positive
Intellectual Stimulation	Positive
Individual Consideration	Positive
Transactional Leadership	
Contingent Reward	Positive
Management-by-Exception: Active	Negative
Passive/Avoidant Behavior	
Management-by-Exception: Passive	Negative
Laissez-Faire	Negative

Psychological Capital Impact on Productivity

Psychological Capital (PsyCap) is considered a higher order construct that includes the human capacities of hope, optimism, resiliency, and self-efficacy (Avey, Nimnicht, & Pigeon, 2010). The four constructs together can predict job performance (F. Luthans, Youssef et al., 2007).

Hope. The PsyCap capacity of hope is a combination of will-power and way-power to obtain a goal or outcome (Snyder, 2000). Individuals with higher hope enjoy an ability to

determine pathways (Snyder et al., 1991) that can generate new alternative routes (Avey, Nimnicht et al., 2010). Research has found that sales and job performance increase as hope is developed (S. J. Peterson & Byron, 2008). Productivity, as measured by sales quota achievement, has been found to be positively correlated to hope (S. J. Peterson & Byron, 2008).

Optimism. This capacity is the individual belief that a person can experience positive outcomes in life (Scheier & Carver, 1985). Research has found that individuals that are more optimistic have a self-fulfilling prophecy for success (Schulman, 1999). When employees feel that they are more likely to succeed, or are optimistic, they are less likely to give up (Avey, Nimnicht et al., 2010). Therefore, optimism is tied to productivity.

Resiliency. The ability to bounce-back after being beset by setbacks and unanticipated barriers to success is resiliency (Avey, Nimnicht et al., 2010). Many individuals have setbacks, but those that have higher resiliency are more likely to regroup and set realistic goals (Bonanno, 2004). Research has found that individuals that have higher levels of resiliency have lower job stress, higher job satisfaction, and increase job performance as measured by sales (Krush et al., 2013).

Self-efficacy. Salespersons that have higher self-efficacy are more confident in their ability to sell, find that the sales process seemed easier, and closed negotiations at higher sales prices (Chowdhury, 1993). Bandura (1997b) suggests that when self-efficacy is high that the sales person is more apt to attempt a given task due to the belief that they will be successful. This would suggest that self-efficacy positively impacts employee performance.

Psychological capital and impact on productivity. Table 5 lists the four constructs on PsyCap and the impact each has on productivity based on the research and previous explanations. All four capacities have been shown to have a positive impact on productivity.

Table 5

Psychological Capital Capacity Impact on Productivity

Psychological Capital Capacities	Impact on Productivity
Hope	Positive
Optimism	Positive
Resiliency	Positive
Self-Efficacy	Positive

Summary

Leadership theories and practices have been studied for many years and there has been a plethora of evidence that shows that effective leaders impact organizational goals and success (Bass & Avolio, 1994; Lowe & Galen Kroeck, 1996; F. Luthans & Avolio, 2003; Mulki, Caemmerer, & Heggde, 2015; Zacher & Jimmieson, 2013). The literature review focused on the leadership styles that are transformational, transactional, and passive/avoidant as researched by Bernard Bass (Bass, 1990; Bass & Avolio, 1990, 1994; Bass & Bass, 2008) and found that leaders that maintain a transformational leadership style that can be reliably measured by the Multifactor Leadership Questionnaire “substantially correlated with measures of leader effectiveness” (Bass & Riggio, 2005, p. 48).

Research further noted that transformational leaders embodied self-efficacy (Bandura, 1997b; Bass & Riggio, 2005; Stajkovic & Luthans, 1998a). Luthans & Avolio (2003) utilized the research of Albert Bandura (Bandura, 1997b) to further the construct of social cognitive theory to develop self-efficacy as a construct of positive organizational behavior (F. Luthans et al., 2004). The research found that individuals and teams that have higher aggregate psychological capital constructs of self-efficacy, optimism, hope, and resiliency tend to have higher performance measurements (F. Luthans, Youssef et al., 2007).

The literature does not seem to indicate if transformational leaders develop teams that have higher psychological capital aggregate scores. This gap of knowledge clearly indicates the need to further understand if leadership styles as measured by the MLQ impact team psychological capital as measured by the PCQ. Furthermore, since there is not a clear indication of correlation between leadership styles and PsyCap, there is no clear indication if performance is impacted in a more positive manner for teams that have both transformational leadership styles and high PsyCap.

Chapter 3: Research Methods

Introduction and Purpose

Psychological capital has been shown to have a causal impact on employee sales revenue (S. J. Peterson et al., 2011) meaning that sales associates that have a higher psychological capital score are more likely to have higher sales revenue. The research further suggested that if leaders focus on developing a singular psychological capital behavior, the other behaviors will increase as well (Norman, Avolio, & Luthans, 2010).

Leaders that possess transformational leadership behaviors are more likely to develop their employees (Warrick, 2011) which impacts sales efficacy and performance (Zacher & Jimmieson, 2013).

The purpose of the study was to identify the proximal outcomes (hope, optimism, efficacy, resiliency) and leadership styles and explore if they impacted productivity. Additionally, the study strove to identify if there was a correlation between the psychological capital, as measured by the Psychological Capital Questionnaire, of the sales associates and the leadership styles, as measured by the Multifactor Leadership Questionnaire, of the management team.

Restatement of Research Questions and Hypotheses

1. What correlation exists between the styles of leadership as measured by the MLQ 5X, and psychological capital attributes (hope, efficacy, resiliency, and optimism) as measured by the PCQ of the field sales associates?
2. Is there a correlation between the average sales per person and either psychological capital of the field associates, the styles of leadership, or both?

- Hypothesis 1a: A district that possesses higher psychological capital will have leaders who are transformational.
- Hypothesis 1b: A district that has a lower psychological capital will have leaders who are transactional.
- Hypothesis 1c: A district that has a lower psychological capital will have leaders who are laissez-faire.
- Hypothesis 2a: A district that possesses psychological capital will have higher than average sales per person.
- Hypothesis 2b: A district that possesses more favorable leadership scores will have higher than average sales per person.

Research Design

This study utilized quantitative methods using correlation analysis to determine the relationship between the psychological capital of the followers and the style of leadership. Furthermore, the study examined to see if there is a positive correlation between districts that have higher psychological capital and higher productivity. The study also explored to see if the districts that have higher productivity averages also have transformational leadership behaviors within the leadership team.

The PsyCap and MLQ 5X instruments used in this study were surveys that provide a “numeric description of trends, attitudes, or opinions of a population by studying a sample of that population” (Creswell, 2009, p. 12). The data was examined to understand if a correlative relationship exists between the data sets. A correlational study is “usually synonymous with non-experimental or observational study; a study that simply observes the size and direction of a

relationship among variables” (Shadish, Cook, & Campbell, 2001, p. 12). This study is considered correlational, as it explored the relationship between two or more variables.

This study did not employ a causal study to identify if one behavior is leading to another, or to ascertain if there is a “causal path” (Creswell, 2009) of behaviors. Instead the study focused on examining leadership styles and psychological capital to determine if there was a correlation between those two variables and productivity as measured by sales.

Sample

The sample population was gathered from individuals who work within the field sales division of a nationwide home improvement corporation. During the study period the researcher was an employee of the organization and as such this was a convenience sample. The field sales organization is separated by region, namely Region 1, Region 2, and Region 3 (see APPENDIX E).

Each region is then separated into areas, and then to districts. For example, there are five areas in the Region 2. Each area is comprised of approximately three districts.

The leadership teams consist of the Regional Vice Presidents (RVP), Area General Manager (AGM), and the District General Manager (DGM). These roles are administrative and are considered leadership. The leadership teams completed the MLQ 5X.

The roles that are customer facing, and are considered the followers, are the Sales Manager (SM), Manager in Training (MIT), and the Sales Associate (SA). This group of followers completed the PCQ.

The goal of this study was to obtain data sets for three districts in the West Region, and three districts in the South Region. This was intended to give an approximate sample of 120 respondents and represented about 10% of the total field sales staff.

The leadership set of data was derived from the leadership staff in Region 1 and Region 2. It was comprised of the Regional Vice President for each region as well as the 9 Area General Managers and 29 District General Managers. The total number of leadership in Region 1 and Region 2 was approximately 80 individuals. All members of the leadership team were invited to complete the MLQ 5X instrument. The MLQ 5X instrument will be discussed in greater detail later in this chapter.

The follower team is comprised of the three sales roles, namely Sales Manager, Manager in Training, and the Sales Associates. The number of followers that are in sales functions ebbs and flows more with the season. During the summer of 2015, the total number of employees in Region 1 and Region 2 approximated 550 employees across the differing leadership and follower roles (see Table 6). Based on the number of Districts, there are roughly 20 Sales Associates in each District. This approximation gave a total of 120 associates that completed the PCQ based on the logic of choosing three districts from Region 1, and three districts from the Region 2.

Table 6

Employee Breakdown by Role

Role	Region 1	Region 2	Instrument
Regional Vice President (RVP)	1	1	MLQ
Area General Manager (AGM)	4	5	MLQ
District General Manager (DGM)	13	16	MLQ
Sales Manager (SM)	18	19	PCQ
Manager in Training (MIT)	23	29	PCQ
Sales Associate	213	337	PCQ

As noted in Table 6, the RVP, AGM, and DGM will complete the MLQ 5X instrument. The researcher examined the data to see if there was a significant correlation between the leadership styles of the leadership team. For example, the researcher examined to see if the DGM and the AGM have the same leadership styles.

Since this study was focused on the potential correlation between the leadership style (MLQ 5X) and the PsyCap (PCQ) of the sales team, the first data set looked at the leadership style of the DGM to determine if the PsyCap of the team that directly reports to the DGM is correlative. To this end, the sales team was identified as a group, whereas the leadership styles were specific to the leader that is directly tied hierarchically to the sales team.

Data Gathering Procedures

The researcher identified sales districts in Region 1 and sales districts in the Region 2. Sales districts were identified by comparing the current monthly average of sales per person for each district. Districts were chosen to fall within minus one standard deviation of the sales average, plus one standard deviation of the sales average, and the sales average within the region.

The Regional Vice Presidents, Area General Sales Managers, and District General Managers will complete the MLQ 5X. The researcher sent an email to the participants requesting that they complete the online assessment. Respondents had 14 days after the email invitation was sent to complete the assessment. A second email was sent 7 days after the original invitation requesting that if they have not completed the survey to do so before the 14-day expiration. A final email reminder was sent on the 11th day of the period again requesting the assessment to be completed. The email invitation and reminder templates are found in the appendix.

The Sales Managers, Managers in Training, and Sales Associates completed the PCQ. The researcher sent an email to the participants requesting that they complete the online PCQ

assessment. Participants had 14 days to complete the assessment. A second email was sent 7 days after the original invitation requesting that if they have not completed the survey to do so before the 14-day expiration. A final email reminder was sent on the 11th day of the period requesting the assessment to be completed. The email invitation and reminder templates are found in the appendix.

The home improvement organization currently has three regions, namely Region 1, Region 2, and Region 3. The southern states are represented in the Region 1 and Region 2. All 50 states and Puerto Rico are represented in the three regions.

The regions are comprised of areas, and then districts. There are a total of 13 areas and 44 districts found within the 3 regions. Each district has at least one Sales Manager, and some have two Sales Managers. There is an average of 20 Sales Associates and 1 Manager in Training in each district office.

The leadership team that completed the MLQ 5X was comprised of 2 of the 3 Regional Vice Presidents, the Area General Managers assigned to the 2 regions, and the District General Manager from each office. In order to keep the leadership team results anonymous, the Regional Vice Presidents, Area General Manager, and District General Manager results were combined to represent the leadership team. By combining the assessment results the individual responses were not identified, thus keeping full anonymity and confidentiality. The MLQ 5X instrument is 45 questions and will take the respondent approximately 20 minutes to complete.

The District Sales Managers, Managers in Training, and Sales Associates completed the PCQ. The districts will be selected based upon average sales per associate. The averages were computed per district, and not per individual sales associate. By identifying sales average per district the individual sales associate sales figures were not known and the associates remained anonymous. All individual assessment results will remain confidential and will not be known to

the researcher. The PCQ is 24 questions and took the respondents approximately 10 minutes to complete.

Research Instruments

In order to comprehend to leadership styles of the management team as well as the psychological capital of the sales associates, two instruments were utilized.

Multifactor leadership questionnaire. The Multifactor Leadership Questionnaire, (MLQ), is a self-rated instrument that identifies leadership styles and behaviors that have been correlated to both organizational and individual success. This valid and reliable instrument is available from Mind Garden, Inc. and is comprised of 45 questions. The researcher purchased a license to administer 100 online surveys utilizing the MLQ 5X short form. It is anticipated that each participant will complete the assessment in 15 minutes (Avolio & Bass, 2004)

The MLQ 5X uses a Likert-scale for all questions, and each question is required. The scale consists of (0) not at all; (1) once in a while; (2) sometimes; (3) fairly often; and (4) frequently, if not always (Avolio & Bass, 2004).

The MLQ 5X measures leadership behaviors and styles, and defines outcomes based on what Bass and Avolio describe as full range leadership (Antonakis et al., 2003b; Avolio, 2011; Avolio & Bass, 2004) and identifies characteristics and behaviors of leadership. The full range leadership model is outlined into transformational, transactional, and passive/avoidant.

MLQ 5X reliability and validity. Avolio and Bass (Avolio & Bass, 2004) have validated the MLQ 5X through an analytical review that included over 4600 leaders and 27,000 secondary raters. Their research denoted that the review of secondary rates aligned with the leaders. Thus the instrument is considered to have validity. Within the same study (Avolio & Bass, 2004) they

found that each leadership factor consisted of a range between .74 and .90. This is within the boundaries of a reliable instrument.

Psychological capital questionnaire. Psychological Capital (PsyCap) is “an individual’s positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success.” (F. Luthans, Youssef et al., 2007, p. 3).

The Psychological Capital Questionnaire is a 24-question instrument that has been studied in research and “has undergone extensive psychometric analyses and support from samples representing service, manufacturing, education, high-tech, military and cross cultural sectors” (F. Luthans, Avolio, & Avey, 2007, p. 4). The four dimensions that PsyCap measures are hope, efficacy, resilience, and optimism.

The Psychological Capital Questionnaire is a valid and reliable instrument available from Mind Garden, Inc. The researcher purchased a license to administer 600 online surveys. Respondents will receive a system-generated report that describes their individual results. The report will only go to the respondent.

The instrument is a self-evaluation where the individuals select how much they agree with the statements in the questionnaire. The 24 questions are all based on a six-point likert scale (see Figure 13) and took the average respondent approximately 15 minutes to complete the full assessment.

1	2	3	4	5	6
Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree

Figure 13. PCQ six-point likert scale

The PCQ scores were calculated by averaging all of the responses for a given dimension. Some of the questions are a reverse score, meaning if an item was scored as a “5” then the reverse would be “2”. Reversed items are marked with “R”. The questions and dimensions are listed as:

- Efficacy: items 1, 2, 3, 4, 5, 6
- Hope: items 7, 8, 9, 10, 11, 12
- Resilience: items 13R, 14, 15, 16, 17, 18
- Optimism: items 19, 20R, 21, 22, 23R, 24

This study utilized a computer based score system provided by Mind Garden LLC; therefore the scoring will be automated.

PCQ reliability. The PCQ instrument is calculated to be reliable and the overall PsyCap measurement is consistently above the conventional standards (F. Luthans, Avolio, & Avey, 2007). According to Luthans et al. (2007) the “Cronbach alphas were as follows: hope (.72, .75, .80, .76); efficacy (.75, .84, .85, .75); resilience (.71, .71, .66, .72); optimism (.74, .69, .76, .79); and overall PsyCap (.88, .89, .89, .89)” (p. 555). Although two of the samples fell below the .70 threshold, the overall PsyCap demonstrates the reliability.

PCQ validity. The four constructs of efficacy, hope, resilience, and optimism have shown to have discriminant validity in several studies (Bryant & Cvengros, 2004; Carifio & Rhodes, 2002; Dawkins et al., 2013; Magaletta & Oliver, 1999). Furthermore, each unique construct,

when added upon each other, suggests convergent validity (F. Luthans, Youssef et al., 2007). According to the PCQ Manual (F. Luthans et al., 2014) is not related to age, education, or the personality dimensions of agreeableness and openness. It does, however, have a “strong positive relationship with core self-evaluations (.60)” (F. Luthans et al., 2014, p. 21). The research has shown that the PCQ instrument is valid and reliable (Cameron & Spreitzer, 2012) and therefore applicable to this study.

Data Analysis Process

This study was a quantitative analysis of two distinct variables or constructs. The first set of variables was from the data set of the MLQ responses. The MLQ data set will identify the leadership behaviors of three differing types of leadership including transformational, transactional, and laissez-faire or passive/avoidant (Avolio & Bass, 2004; Bass & Bass, 2008). The data set further revealed the subset behaviors of the leadership styles found within the transformational leadership variable including a) idealized behavior, b) idealized attribute, c) inspirational motivation, d) intellectual stimulation, and e) individual consideration. The subset behaviors within transactional leadership are a) contingent reward, b) active management by exception, and c) passive management by exception. The final main leadership variable is laissez-faire or passive/avoidant. There are not subset behaviors as laissez-faire is the absence of leadership (Avolio & Bass, 2004).

The second set of variables was from the PCQ data set and consists of hope, self-efficacy, resiliency, and optimism.

The final set of variables was the average sales per person for a district. The data was void of any specific sales persons numbers or identifying remarks. This set of data was the

aggregate of the total monthly sales for the district divided by the number of sales associates in the district. This gave the average district sales.

All data was combined in a spreadsheet and then imported into Statistical Package for the Social Sciences (SPSS) for analysis. The data (see Table 7) was analyzed in SPSS for correlation, descriptive data, anova, means, and t-test to answer the first research question:

1. What correlation exists between the leadership styles of management as measured by the MLQ 5X, and psychological capital attributes (hope, efficacy, resiliency, and optimism) as measured by the PCQ of the field sales associates of a national home improvement organization?

Table 7

MLQ 5X and PCQ Variables

MLQ 5X Variables	PCQ Variables
Transformational leadership Idealized behavior, idealized attributed, inspirational motivation, intellectual stimulation, and individual consideration	Hope, self-efficacy, resilience, and optimism
Transactional leadership Contingent reward, active management by exception, and passive management by exception	Hope, self-efficacy, resilience, and optimism
Laissez-Faire Leadership or Passive/Avoidant	Hope, self-efficacy, resilience, and optimism

The second section of the study was examined the same MLQ 5X and PCQ variables and added the average sales per district (see Table 8) to answer the second research question:

2. Is there a correlation between the average sales per district and either psychological capital of the field associates, the leadership style of management, or both?

Table 8

MLQ 5X, Productivity, and PCQ Variables

MLQ 5X Variables	Productivity Variable	PCQ Variables
Transformational leadership Idealized behavior, idealized attributed, inspirational motivation, intellectual stimulation, and individual consideration	Average sales per district	Hope, self-efficacy, resilience, and optimism
Transactional leadership Contingent reward, active management by exception, and passive management by exception	Average sales per district	Hope, self-efficacy, resilience, and optimism
Laissez-Faire Leadership	Average sales per district	Hope, self-efficacy, resilience, and optimism

Human Subjects Considerations

This study, like many other academic research projects, adhered to the IRB standards as set forth by Pepperdine University's *Protection of Human Participants in Research: Policies and Procedures Manual* (Leigh & Rouse, 2009). Specifically the study adhered to the standards as

set forth in the Belmont Report (Report, 1979) to ensure the basic protection of human subjects through respect, beneficence, and justice.

This research study was designed to eliminate any risk to the participants that could unduly harm them. Performance metrics that identify specific sales persons could be an IRB concern. As such this study did not identify any individual sales performance metric, rather it looked at the average sales data for a given district, area, and region. By utilizing larger sets of data, the individual data and identifying results were kept private and was not viewable by the corporation. This study kept the participants anonymous to ensure that there is no danger to their current career path.

Investigator qualifications. The investigator is a doctoral candidate of Organizational Leadership at Pepperdine University in the Graduate School of Education and Psychology. He completed all necessary coursework, and passed the comprehensive exam. The investigator has significant experience in training and development and has experience and certifications within performance improvement, leadership development, and learning strategy. The investigator has consulted companies internationally on performance improvement and has been an international keynote speaker on creating high performing teams through simulation and training. Additionally, the investigator has consulted nationwide organizations on utilizing Psychological Capital to improve retention, performance, and engagement. Given the background, experience, education, IRB training, and practical application, the investigator is qualified to proceed with this study.

Selection of subjects. The subjects that voluntarily completed the instruments utilized in this study were free to opt-out and were not required to complete the study. If the respondent does not complete the assessment, their data was not included in the aggregate data files. Names, and any potential identifiers were not included in the data. All participants were current

employees of a national home improvement organization and completion of the assessments did not impact their employment. Leadership at the home improvement organization did not know which employees have completed the assessment, and which ones have not. The data sets were aggregated and averaged so that individual responses were kept confidential. All employees and participants were adults, and therefore are not considered children. Additionally, the employees were not considered part of the “vulnerable subject populations” (Leigh & Rouse, 2009). The busiest time of year for the home improvement organization is between March and September. In order to ensure that the assessments do not interfere with key business focus, the assessment was administered in the off-season so as to not inculcate the audience with undue pressure.

Risks and benefits. The research posed minimal risk either physically or psychologically and the research did not identify or study any “long-term effects” (Leigh & Rouse, 2009). There were no/minimal benefits for the subjects. The potential benefit of the study is that it identified leadership behaviors that impact the psychological capital of the sales team. If there was a positive correlation between the leadership behaviors and the psychological capital, it would identify key training and development opportunities to positively impact both the leadership and sales teams. All managers that completed the MLQ received an individual report that identified the leadership behaviors and offered ideas to increase the positive behaviors. This report served as a personal development program. Additionally, all associates that completed the PCQ receive an individual report included strategies and exercises to improve the PsyCap scores and develop improved PsyCap behaviors.

Informed consent process. The investigator sent a form letter to participants informing them that participation in the study was confidential, anonymous, and voluntary. The letter included a short introduction of the study, the purpose, and contact information if the participants wanted additional information.

Confidentiality and privacy. The responses for the MLQ 5X completed by the leadership team were confidential. The researcher did not disclose any “personally identifiable and private information” (Leigh & Rouse, 2009) to the organization. It was not necessary to identify personal data for the research study; had it been necessary a substitute code was to be used in place of any potentially identifying data.

The responses for the PCQ were anonymous. The data was grouped together for a specific region or district and therefore did not have any identifying individual data. The researcher gathered general data sets that did not identify the individual responses, therefore keeping strict adherence to anonymity.

The data for both the MLQ 5X and the PCQ was kept solely by the researcher and any potential assistants. The assistants, although not needed, would have been kept to the same level of confidentiality for the MLQ 5X as well as the anonymity for the PCQ. All documents are digital, and were kept on a personal laptop that is password secure. The researcher did not share the raw data with the study organization.

Summary

This chapter reviewed the methodology of the research for this study. The purpose, need for the study, and the instruments have been discussed. The instruments that will be utilized are the MLQ 5X and PCQ. The instruments were discussed in detail to show the reliability and validity of each instrument. The data sets will be examined to determine if there is a positive or negative correlation between the leadership styles of the leaders and the psychological capital of the sales team and productivity. The data from the convenience sample will be entered into SPSS to identify any meaningful information, data, and conclusions. Furthermore appropriate

confidentiality and anonymity will be employed to ensure that there is minimal risk to the participants.

Chapter 4: Results

Introduction

This chapter contains a brief statement of the problem and research questions followed by a description of data gathering process and limitations. Findings are reported for each survey followed by analysis with charts and explanations. It concludes with a summary of findings and analysis by research question.

Review of the Measures

Psychological capital. The purpose of this study was to understand the intersection of psychological capital and leadership styles and productivity. Psychological Capital (PsyCap), containing the characteristics of hope, self-efficacy, resiliency, and optimism, has been empirically tied to both manager outcomes and organizational outcomes (Avey, Avolio, & Luthans, 2011; Avey, Luthans et al., 2010). It has been noted that employees that maintain higher levels of PsyCap positively impact both individual and group level performance (B. C. Luthans, Luthans, & Jensen, 2012).

The concept of leadership styles, as measured by the Multifactor Leadership Questionnaire (MLQ 5X), denotes that there are three main types of leadership styles including transformational, transactional, and passive/avoidant leadership (Avolio & Bass, 2004). Each of the three concepts is further demarcated by 13 distinct characteristics (see Table 9).

Transformational leadership. The culmination of what is referred to as the 5 I's (Avolio, 2011, p. 66) and contains Idealized Influence Attributed (IIA), Idealized Influence Behavioral (IIB), Inspirational Motivation (IM), Intellectual Stimulation (IM), and Individualized Consideration (IC). Transformational leaders are proactively engaged in helping those that they manage achieve higher potential and development (Avolio & Bass, 2004).

Transactional leadership. Leaders that are more transactional in nature tend to set expectations and reward performance based on an employees ability to meet the defined expectation (Avolio & Bass, 2004). This leadership type is demarcated by the two characteristics of Contingent Reward (CR), and Management-by-Exception: Active (MBEA).

Passive/Avoidant behavior. The third main leadership category, is in essence, the lack of leadership and is often called passive/avoidant, or Laissez-faire (LF) and Management-by-Exception: Passive (MBEP). This particular style of leadership could be evidenced by leaders that do not set expectation or set outcome goals.

Outcomes of leadership. In addition to the three leadership styles, the MLQ 5X also lists outcomes of leadership or the cascading results of the leadership behavior (Avolio & Bass, 2004). Leaders that are either transformational or transactional have positive outcomes that relate to the success of the organization (Avolio & Bass, 2004). The MLQ 5X measures the three outcomes as Extra Effort (EE), Effectiveness (EFF), and Satisfaction (SAT).

Extra Effort. The outcome of Extra Effort (EE) is tied to a leader developing the employee confidence needed to exert effort.

Effectiveness. The second outcome of leadership is Effectiveness (EFF), which is the correlated relationship that a leader has on employee task and object completion. Leaders that embody transformational leadership have teams that are more effective and satisfied with the leader (Avolio & Bass, 2004).

Satisfaction. Satisfaction (SAT) is an outcome that as employee effort is expended that the employee needs and desires are satisfied. It is also considered the employee satisfaction with the leader.

Transformational leadership outcome. Additionally transformational leadership is denoted in the charts as the average of the scores of the 5 I's of Transformational Leadership. This average is an overall transformational leadership score.

Table 9

MLQ 5X Leadership Style and Associated Characteristic

MLQ 5X Leadership Style	MLQ 5X Characteristics
Transformational	Idealized Influence Attributed (IIA) Idealized Influence Behavioral (IIB) Inspirational Motivation (IM) Intellectual Stimulation (IS) Individual Consideration (IC)
Transactional	Contingent Reward (CR) Management-by-Exception: Active (MBEA)
Passive/Avoidant or Laissez-Faire	Passive/Avoidant or Laissez-Faire (LF) Management-by-Exception: Passive (MBEP)
Outcomes of Leadership	Generates Extra Effort (EE) Is Productive (EFF) Generates Satisfaction (SAT)

Productivity. Productivity is a measurement of efficiency. Often it is described as a ratio. For instance productivity can be measured as the ratio of widgets made per hour. For the purpose of this study, productivity is the measurement of sales for a given district, divided by the number of sales associates in the district. The Sales Performance noted in the tables in chapter 4 is based

on the average dollar sales per person in a district. Some districts have more sales persons, and this ratio would have been swayed if Sales Performance were left at the district level, rather than the individual average for the district.

Description of the Data Gathering Process

Two groups received different assessments based on their role. The leaders completed Mind Garden Multifactor Leadership Questionnaire (MLQ 5X) to measure the differing leadership characteristics of transformational, transactional, and laissez-faire. A total of 71 participants were invited via email to complete the MLQ 5X, of which 59 completed the assessment. This gives a total of 83% of the invited participants that completed the MLQ 5X.

The customer facing sales team completed the Mind Garden Psychological Capital Questionnaire (PCQ) to measure the overall PsyCap score as well as the subset of hope, efficacy, resiliency, and optimism. A total of 575 participants were invited via email to complete the PCQ, of which 151 completed the assessment. This gives a total of 26% of the invited participants completed the PCQ.

Findings: Results of Leadership (MLQ 5X) Assessment

This section will describe the ranking order of the MLQ 5X results of the leaders. Although the researcher gathered data from individuals, in order to garner statistical relevance the data was aggregated by district. The district viewpoint allowed the researcher to extrapolate district trends rather than individual results. The results were tallied and ranked based on the scores that had the highest average mean to the lowest mean thus showing which MLQ 5X characteristics were most common throughout the organization.

Table 10 displays the descriptive statistics for the 13 aggregated district MLQ 5X scores sorted by the highest mean. These scores were based a 5-point scale: 0 = *Not at all* to 4 = *Frequently, if not always*. The highest rated scales were encourages others (IM; $M = 3.55$) and

coaches & develops people (IC; $M = 3.45$). The lowest rated scales were avoids involvement (LF; $M = 0.39$) and fights fires (MBEP; $M = 0.73$; Table 10).

In essence, Table 10 shows the highest rated MLQ 5X for the districts. Meaning, the MLQ 5X characteristic that had the highest average score was the Encourages Others (IM) and the lowest average score was Fights Fires (MBEP) and avoids involvement (LF). The table shows the characteristics most commonly found within the subject group.

The overall grouping of scores denotes that the 5 I's of transformational leadership score high denoting that the leaders tend to encapsulate the transformational leadership characteristics. This would imply that transformational leadership characteristics are found within the leadership team.

The table also shows that the transactional leadership styles of rewards achievement (CR), monitors deviation and mistakes (MBEA), and fights fires (MBEP) denote the lower propensity to have transactional behaviors. The anomaly is the high contingent reward score ($M = 3.38$).

Table 10

MLQ 5X Scores Sorted by the Highest Mean

MLQ Score	<i>M</i>	<i>SD</i>
Encourages Others (IM)	3.55	0.39
Coaches & Develops People (IC)	3.45	0.25
Rewards Achievement (CR)	3.38	0.43
Transformational Leadership	3.33	0.29
Generates Extra Effort (EE)	3.31	0.44
Is Productive (EFF)	3.30	0.43
Acts with Integrity (IIB)	3.30	0.40
Generates Satisfaction (SAT)	3.27	0.39
Builds Trust (IIA)	3.25	0.32
Encourages Innovative Thinking (IS)	3.07	0.49
Monitors Deviations & Mistakes (MBEA)	1.86	0.59
Fights Fires (MBEP)	0.73	0.25
Avoids Involvement (LF)	0.39	0.29

Note. Ratings were based on a 5-point scale: 0 = *Not at all* to 4 = *Frequently, if not always*.
Descriptive Statistics for the Aggregated District MLQ 5X Scores Sorted by the Highest Mean
(*N* = 28)

Table 10 displayed the ranking order of the MLQ 5X average scores for the 28 districts. Three of the top four characteristics (IM, IC, and Transformational Leadership) are directly tied to transformational leadership. The Rewards Achievements (CR) ranks third, but the other

associated transactional characteristics of Monitors Deviations & Mistakes (MBEA) and Fights Fires (MBEP) are at the bottom of the stack ranking. The lower overall transactional scores would imply that the 28 districts tend to have more transformational leadership characteristics compared to either transactional or laissez-faire.

Findings: Results of Psychological Capital (PCQ) Assessment

The PCQ assessment scores an individual on the four scores of hope, optimism, resiliency, and self-efficacy. Additionally the assessment averages the four scores to denote an overall PCQ score. This section displays the PCQ scores ranked by the highest mean to the lowest mean. The purpose of this chart was to denote the PCQ scores that garnered the highest score based on the assessment results.

Table 11 displays the sales team descriptive statistics for the five PCQ scores sorted by the highest mean. These scores were based a 6-point scale: 1 = *Strongly Disagree* to 6 = *Strongly Agree*. The overall score had a mean of $M = 5.14$. The highest subscore was for efficacy ($M = 5.28$) and the lowest subscore was for hope ($M = 4.93$; Table 11).

The data demonstrates that the sales team has high efficacy, which is considered confidence. The high confidence and resiliency scores show the current PsyCap strengths.

Table 11
PCQ Scores Sorted by Highest Mean

PCQ Score	<i>M</i>	<i>SD</i>
Efficacy	5.28	0.86
Resiliency	5.25	0.62
Overall	5.14	0.58
Optimism	5.07	0.66
Hope	4.93	0.86

Note. Ratings were based on a 6-point scale: 1 = *Strongly Disagree* to 6 = *Strongly Agree*.
 Descriptive Statistics for the PCQ Scores Sorted by the Highest Mean ($N = 151$)

Table 11 displayed that the highest-ranking average score for PCQ of the 151 sales associates was efficacy and resiliency. Efficacy is also stated as self-confidence, and is typical of a sales organization. Since the Overall score is the average of the four categories, it is anticipated that it would be the middle. The spread between the highest (efficacy) and lowest (hope) mean is a small gap. This would suggest that the sales team has little difference between the attributes of PsyCap.

Statistical Analyses

The following section presents statistical analysis to support hypothesis statements and to answer research questions.

Cohen (2013) suggested some guidelines for interpreting the strength of linear correlations. He suggested that a weak correlation typically had an absolute value of $r = .10$ ($r^2 = 1\%$ of the variance explained), a moderate correlation typically had an absolute value of $r = .30$

($r^2 = 9\%$ of the variance explained) and a strong correlation typically had an absolute value of $r = .50$ ($r^2 = 25\%$ of the variance explained). Therefore, for the sake of parsimony, this Results Chapter will primarily highlight those correlations that were of at least moderate strength to minimize the potential of numerous Type I errors stemming from interpreting and drawing conclusions based on potentially spurious correlations.

Leadership Style and Psychological Capital: Research Question One

Research Question 1 was “What correlation exists between the styles of leaders as measured by the MLQ 5X, and psychological capital attributes of followers (hope, efficacy, resiliency, and optimism) as measured by the PCQ in a national home improvement organization?” The question had three related hypotheses. In addition, Spearman correlations were used to test these hypotheses using both the individual salesperson data ($N = 151$, Table 12) as well as the aggregated district level data ($N = 28$, Table 13).

The following table will present the correlation between the PCQ scores and the individual leader MLQ 5X score. The data suggests that there is a mild correlation between leaders that coach and develop (IC) and sales team efficacy and hope. It should be noted that this is a correlation or relationship between two variables. The data should not be interpreted to mean that there is causality.

Table 12

Correlation of Individual PCQ Scores and MLQ 5X Scores

MLQ 5X Score	PCQ Score				
	Overall	Hope	Efficacy	Resiliency	Optimism
Builds Trust (IIA)	.09	.09	.10	.04	.01
Acts with Integrity (IIB)	.00	-.05	.09	-.03	.01
Encourages Others (IM)	.10	.10	.08	-.05	.10
Encourages Innovative Thinking (IS)	.07	.09	.09	-.01	-.01
Coaches & Develops People (IC)	.13	.16 **	.20 ***	.07	-.05
Rewards Achievement (CR)	.11	.13	.21 ****	.04	-.01
Monitors Deviations & Mistakes (MBEA)	-.02	-.03	.12	-.06	-.05
Fights Fires (MBEP)	-.08	-.09	-.05	-.13	.00
Avoids Involvement (LF)	.02	.09	-.05	.01	.01
Generates Extra Effort (EE)	.08	.09	.11	.06	-.04
Is Productive (EFF)	.10	.11	.15 *	.01	.01
Generates Satisfaction (SAT)	.09	.09	.15 *	-.02	.01
Transformational Leadership	.09	.09	.14 *	-.03	.02

Note. $p < .10$. ** $p < .05$. *** $p < .01$. **** $p < .005$. ***** $p < .001$.
Spearman Correlations for the PCQ Scores with the MLQ 5X Scores (N = 151)

Analysis. The Table 12 shows that leaders that coach and develop people (IC) are positively related to the efficacy ($r_s = .20, p = .01$) and hope ($r_s = .16, p = .05$) of the sales team. Coaching and developing people (IC) is a subset of a transformational leader, but the two IC and

the transformational leader relation to efficacy ($r_s = .14, p = .10$) is weak. The evidence at this point is not strong enough to pass the hypotheses in full.

District PCQ and District MLQ 5X. Table 10 is a one-to-many relationship where it is the district MLQ 5X score correlated to the individual PCQ score. The following data in Table 13 will be a district MLQ 5X score correlated to a district PCQ, thus viewing this as a one-to-one relationship. It is natural to see more positive correlations in a one-to-one relationship. The following table to present the district PCQ score correlated to the district MLQ 5X score.

There were several districts that had multiple leaders that completed the MLQ 5X assessment. Table 13 will present the data in a district view thus giving more understanding to the district office leadership and district sales scores.

Table 13

Correlation of District PCQ Scores and MLQ 5X Scores

MLQ 5X Score	PCQ Score				
	Overall	Hope	Efficacy	Resiliency	Optimism
Builds Trust (IIA)	.36 *	.31	.36 *	.22	.10
Acts with Integrity (IIB)	.21	.10	.37 **	.04	.00
Encourages Others (IM)	.30	.26	.36 *	-.04	.20
Encourages Innovative Thinking (IS)	.24	.21	.21	.11	.11
Coaches & Develops People (IC)	.47 ***	.40 **	.46 ***	.29	.00
Rewards Achievement (CR)	.26	.17	.43 **	.02	-.05
Monitors Deviations/Mistakes (MBEA)	.07	-.08	.24	-.03	-.11
Fights Fires (MBEP)	-.10	-.19	.00	-.26	.01
Avoids Involvement (LF)	-.19	.02	-.27	-.29	-.09
Generates Extra Effort (EE)	.35 *	.34 *	.43 **	.26	-.03
Is Productive (EFF)	.26	.20	.43 **	.04	.03
Generates Satisfaction (SAT)	.27	.20	.35 *	.00	-.01
Transformational Leadership	.35 *	.25	.44 **	.08	.05

Note. * $p < .10$. ** $p < .05$. *** $p < .01$. **** $p < .005$. ***** $p < .001$.

Spearman Correlations for the Aggregated District PCQ Scores with the MLQ 5X Scores ($N = 28$)

Analysis. A Spearman Correlation was conducted comparing the aggregate district PCQ score with the district MLQ 5X score. This correlation found that 15 of the 65 correlations were of at least moderate relation ($P < .30$). The strongest correlation was found between the MLQ 5X characteristic of Coaches and Develops People (IC) and the Overall PCQ score ($r_s = .47, N = 28, p < .01$), Hope ($r_s = .40, N = 28, p < .05$), and Efficacy ($r_s = .46, N = 28, p < .01$). As leaders flex the transformational leadership characteristic of coaching and developing (IC), the sales team responds with higher overall PCQ.

It was also found that the transformational leadership characteristics of Builds Trust (IIA), Acts with Integrity (IIB), Encourages Others (IM), Coaches and Develops People (IC), Generates Extra Effort (EE), Is Productive (EFF), Generates Satisfaction (SAT), and Transformational Leadership all positively impact the PCQ score of Efficacy. The conclusion that can be drawn here is that as leaders are more transformational in nature that the employees are more confident.

Research Question One Discussion

Hypothesis 1a was, “A district that possesses higher psychological capital will have leaders who are transformational.” In Table 12, transformational leadership was positively related with efficacy ($r_s = .14, p = .10$). In Table 13, transformational leadership was positively related with overall PCQ ($r_s = .35, p = .07$) and efficacy ($r_s = .44, p = .02$). Taken together, this combination of findings provided partial support for Hypothesis 1a.

Hypothesis 1b was, “A district that has a lower psychological capital will have leaders who are transactional.” According to the MLQ authors (Avolio & Bass, 2004), transactional leadership has three parts: contingent reward, management by exception-active, and management by exception-passive. In Table 12, contingent rewards was positively related to efficacy ($r_s = .21, p = .01$) and in Table 13, contingent reward was positively related to efficacy ($r_s = .43, p =$

.02). Given that the hypothesized relationship was negative and the only significant correlations were positive, these findings provided no support for Hypothesis 1b.

Hypothesis 1c was “A district that has a lower psychological capital will have leaders who are laissez-faire.” Laissez-faire leadership was not significantly related to any of the five PCQ scores in Table 3 or the similar PCQ scores in Table 13. Thus, Hypothesis 1c was not supported.

Leadership/Psychological Capital and Productivity: Research Question Two

Research Question 2 was “Is there a correlation between productivity and either psychological capital of the followers, the leadership style, or both?” The question had two related hypotheses.

Findings: PCQ and Sales Productivity

Table 14 presents the correlated data between the PCQ score and Sales Performance. The PCQ scores were checked at both the individual and district level to see if there is a difference between individual sales and district sales performance.

Table 14

Sales Performance and PCQ Scores

PCQ Score	Sales Performance	
	Individual <i>N</i> = 151	District <i>N</i> = 28
Total	-.07	-.10
Hope	-.04	-.10
Efficacy	-.10	-.23
Resiliency	-.12	-.06
Optimism	-.04	-.14

Note. * $p < .10$. ** $p < .05$. *** $p < .01$. **** $p < .005$. ***** $p < .001$.

Spearman Correlations for Productivity (Average District Sales) with PCQ Scores Based on Individual Data ($N = 151$) and Aggregated District Data ($N = 28$)

Analysis. Hypothesis 2a was “A district that possesses psychological capital will have higher than average sales per person.” Spearman correlations compared sales performance against the five PCQ scores based on both the individual data ($N = 151$) and the aggregated district data ($N = 28$) (Table 14). None of the resulting ten correlations were significant which provided no support for Hypothesis 2a.

As noted in Table 14, PCQ does not have any positive correlation to productivity. This topic will be discussed further in Chapter 5.

Findings: MLQ 5X and Sales Productivity

Hypothesis 2b was “A district that possesses more favorable leadership scores will have higher than average sales per person.”

Table 15 displays the Spearman correlations for sales performance against the 13 MLQ scores based on both the individual data ($N = 151$) and the aggregated district data ($N = 28$).

Table 15 will demonstrate that there is moderate correlation that leaders that develop a general sense of satisfaction (SAT) tend to have sales teams that have higher than average sales. Additionally, leaders that focus on rewards achievement (CR) tend to decrease the sales in the district. It is also important the note that leaders that are passive avoidant, or lack either transactional or transformational leadership (LF) adversely impact overall district sales.

It is imperative that this table be viewed as a relationship between two variables, leadership style and sales productivity. This in no way demonstrates causality, nor should there be any strategic inferences that would suggest that a particular leadership style produces higher sales productivity.

Table 15

Sales Performance and MLQ 5X Scores

MLQ 5X Score	Sales Performance	
	Individual <i>N</i> = 151	District <i>N</i> = 28
Builds Trust (IIA)	.20 ***	.07
Acts with Integrity (IIB)	-.04	-.16
Encourages Others (IM)	.20 ***	.12
Encourages Innovative Thinking (IS)	.05	.07
Coaches & Develops People (IC)	.08	.10
Rewards Achievement (CR)	-.29 *****	-.34 *
Monitors Deviations & Mistakes (MBEA)	-.13	-.27
Fights Fires (MBEP)	.09	.15
Avoids Involvement (LF)	-.25 *****	-.15
Generates Extra Effort (EE)	.07	.09
Is Productive (EFF)	.12	-.01
Generates Satisfaction (SAT)	.45 *****	.18
Transformational Leadership	.21 ***	-.04

Note. * $p < .10$. ** $p < .05$. *** $p < .01$. **** $p < .005$. ***** $p < .001$.

Spearman Correlations for Average District Sales with MLQ 5X Scores Based on Individual Data ($N = 151$) and Aggregated District Data ($N = 28$)

Analysis. For the individual data, sales performance was favorably related to 6 of 13 MLQ scores with the largest correlation being with generates satisfaction (SAT; $r_s = .45$, $p =$

.001). For the aggregated district data, sales performance was related to only one of the 13 MLQ scores: rewards achievement (CR; $r_s = -.34, p = .08$). This combination of findings provided partial support for Hypothesis 2b.

Additional Findings

Also in Table 13, Spearman correlations compared the 13 MLQ 5X scores with the five PCQ scores based on the aggregated data ($N = 28$). For the resulting 65 correlations, 15 were significant at the $p < .10$ level. Resiliency and optimism were not related on any of the 13 MLQ 5X scores. The MLQ 5X score with the strongest correlations with the five PCQ scores was coaches and develops people (IC) with (a) overall ($r_s = .47, p = .01$), (b) hope ($r_s = .40, p = .04$), and (c) efficacy ($r_s = .46, p = .01$). The PCQ score that was most related to leadership was efficacy. Efficacy was significantly related to 9 of 13 MLQ 5X scores (Table 13).

Summary

In summary, this study used data from 151 salespeople from 28 sales districts to understand the intersection of psychological capital (PCQ) and leadership styles (MLQ 5X) and sales productivity.

A correlational analysis was utilized to compare the styles of leaders and the psychological capital of the followers. The study collected data from 151 sales associates from 28 sales districts. Also gathered were district level sales data and aggregated MLQ 5X leadership scores.

As an example a Spearman rho was done to see if there was a correlation between the PCQ Overall score and MLQ Builds Trust (IIA). There are a potential of 65 such pairings. Of the 65 pairings, 15 denoted a positive correlation. This small percentage of correlation was lower

than the researcher anticipated and could be explained due to limited responses across too many districts.

A Spearman Correlation was conducted comparing the aggregate district PCQ score with the district MLQ 5X score. This correlation found that 15 of the 65 correlations were of at least moderate relation ($P < .30$). The strongest correlation was found between the MLQ 5X characteristic of Coaches and Develops People (IC) and the Overall PCQ score ($r_s = .47, N = 28, p < .01$), Hope ($r_s = .40, N = 28, p < .05$), and Efficacy ($r_s = .46, N = 28, p < .01$). As leaders flex the transformational leadership characteristic of coaching and developing (IC), the sales team responds with higher overall PCQ.

It was also found that the transformational leadership characteristics of Builds Trust (IIA), Acts with Integrity (IIB), Encourages Others (IM), Coaches and Develops People (IC), Generates Extra Effort (EE), Is Productive (EFF), Generates Satisfaction (SAT), and Transformational Leadership all positively impact the PCQ score of Efficacy. The conclusion that can be drawn here is that as leaders are more transformational in nature that the employees are more confident. The literature in Chapter 3 speaks to the impact that leaders can have on employee satisfaction and confidence; as such this research confirms the literature.

The five scores of PCQ were correlated with average district sales both at the individual ($N = 151$) and the district ($N = 28$) level. This research did not find any correlation between the PCQ scores and sales productivity. In Chapter 3, it was noted that sales teams that maintain higher PCQ averages tend to have higher sales. This research did not confirm the literature. This could be due to the model of research that was conducted. The outcome might have been different had the researcher tied and individual sales person PCQ score to the same sales person's sales data. This change in research path would have been a one-to-one relationship and thus strengthen the potential correlation.

The thirteen MLQ 5X scores were correlated to the Average District Sales ($N = 28$) and to the Individual Data ($N = 151$). The district data found that only Rewards Achievement (CR) as correlated, and in fact, in a negative manner ($r_s = -.34$, $N = 28$, $p < .10$). For statistical purposes this would be a moderate correlation but has a 10% chance of being wrong.

When correlated to the Individual Data ($N = 151$) it was found that leaders that focus on Rewards Achievement (CR) had a negative relationship to sales performance ($r_s = -.29$, $N = 151$, $p < .001$). The variance, or explaining power, would be 8%. This interesting statistic has impact upon a sales organization where the sales associates are paid a commission to sell products. The more the leader emphasizes Rewards Achievement the less impact that has on the sales productivity. Conversely, as the leader focuses on Generates Satisfaction (SAT) the greater the impact on sales productivity.

Although statistically weak, the data did suggest that leaders that Avoid Involvement (LF) or the absence of leadership, have sales teams that underperform.

Research question 1. What correlation exists between the styles of leadership as measured by the MLQ 5X, and psychological capital attributes (hope, efficacy, resiliency, and optimism) as measured by the PCQ of the field sales associates? This question aimed to understand what intersections, if any existed between the two groups and was represented by three hypothesis statements.

Hypothesis 1a. A district that possesses higher psychological capital will have leaders who are transformational, received partial support (Table 12 and Table 13).

Hypothesis 1b. A district that has a lower psychological capital will have leaders who are transactional, received no support (Table 12 and Table 13).

Hypothesis 1c. A district that has a lower psychological capital will have leaders who are laissez-faire, received no support (Table 12 and Table 13).

Research question 2. Is there a correlation between the average sales per person and either psychological capital of the field associates, the styles of leadership, or both? The second research question aimed to understand if sales averages are affected by either the psychological capital or leadership style. The hypothetical statements were based on understanding if the relationships exist.

Hypothesis 2a. A district that possesses psychological capital will have higher than average sales per person, received no support (Table 14).

Hypothesis 2b. A district that possesses more favorable leadership scores will have higher than average sales per person, received partial support (Table 15).

Overall, there is partial support found within this study that there is a correlation between the leadership styles of the leaders, as assessed with the MLQ, the psychological capital of the sales team, as assessed with the PCQ, and sales productivity, as numerated by the average sales per person per district.

In the final chapter, these findings will be compared to the literature, conclusions and implications will be drawn, and a series of recommendations will be suggested.

Chapter 5: Summary of Findings, Discussion, and Conclusion

Introduction

This final chapter reviews the importance of exploring Psychological Capital (PsyCap) and leadership styles to solve productivity issues. Key concepts and current understanding from existing research are summarized and methodology briefly revisited. After a discussion of key findings, conclusions are drawn and implications explored. Finally limitations are considered along with recommendations for further research.

Research Background

This research examined the potential relationship between Psychological Capital (PsyCap) of employees, the perceived leadership styles, and productivity in a home improvement company. The study was designed to ascertain if there was a particular leadership style and PsyCap mix that aligns with higher productivity because current research is minimal.

Previous research has investigated the impact of leadership on productivity and the impact of PsyCap on productivity. The research has been thin on how leadership styles impact PsyCap and how leadership styles and PsyCap potentially impact productivity. As of the completion of this study, this is the first known instance of a research study that examined the correlation between the PCQ and MLQ 5X measurements. It was imperative to understand any correlations between the two assessments since the PCQ is the de facto assessment that measures the psychological constructs of hope, optimism, resiliency, and optimism. Furthermore, the MLQ 5X is an assessment that has been validated by academic research, business consultants, and corporate organizations (Avolio & Bass, 2004) to be the industry assessment that measures leadership styles.

Psychological capital. Researchers have noted that higher Psychological Capital scores equate to on-the-job performance (F. Luthans et al., 2010) and workplace productivity (Krush et al., 2013). For this study, performance and productivity was measured by calculating the average district sales.

Psychological Capital is based on positive psychology (M. E. P. Seligman & Csikszentmihalyi, 2000) and strives to understand more fully the attributes of individuals and teams as defined through the lens of hope, optimism, resiliency, and efficacy (F. Luthans et al., 2004; Magaletta & Oliver, 1999; Scheier & Carver, 1985; C. R. Snyder, 1999; Stajkovic & Luthans, 1998a; Youssef & Luthans, 2007). Each of the attributes of Psychological Capital have been shown to have a correlative relationship with increased productivity and sales (Adidam & Srivastava, 2001; Bandura, 2009; Krush et al., 2013; Schulman, 1999). In order to measure the PsyCap of the sales organization, the Psychological Capital Questionnaire (PCQ) was utilized.

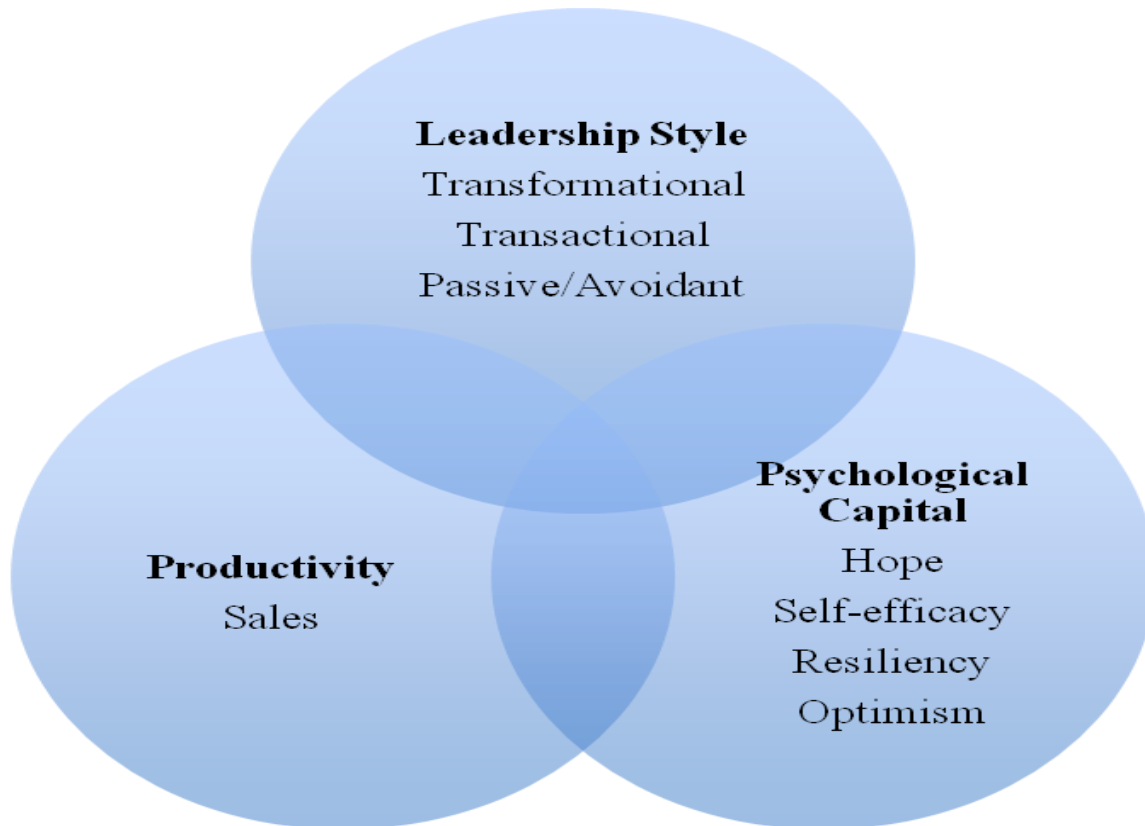


Figure 14. Relationship between leadership style, productivity, and Psychological Capital

Leadership styles. John Kotter (1988) stated that leadership is intended to develop people, create vision, and develop competitive advantage. Competitive advantage is honed through metrics that track productivity within the organization. Organizations, and as such the organizational leaders, exist to grow and develop companies, processes, and organizations.

Through the evolution of leadership studies arose the ideology that leadership practices can be developed. Burns (1978) suggested that a transformational leader is tasked with developing employees which in turn develops the organization. Although there are several different types of leadership styles, Bass (1990) furthered the understanding the role and impact of leadership to include three main styles: transformational, transactional, and passive/avoidant. This study examined leadership through the lens that Avolio and Bass (2004) presented as the Multifactor Leadership Questionnaire (MLQ 5X).

Productivity. Organizations measure attrition, performance, time-off, cost of goods sold, and many other metrics. Productivity is a ratio of outputs per unit of input. For instance, productivity can be measured by how many units are sold per sales person. As a measurement of productivity, the research utilized the sales averages for each district.

Methodology

This study utilized quantitative methods using correlational analysis to determine what relationship, if any, exists between the styles of leadership and the PsyCap of the sales team. Additionally, a third data set was used to see if there is correlational relationship between PsyCap, leadership style, and productivity as measured by average district sales.

The leadership team was administered the MLQ 5X to understand what leadership styles (transformational, transactional, and laissez-faire) exist amongst the leadership team. In addition to the three leadership styles, there were ten additional leadership characteristics. The sales teams were administered the PCQ to quantify the PsyCap overall score as well as the PsyCap subscores of hope, efficacy, resiliency, and optimism. Sales data was from the month of October 2015. The average for the district was determined by dividing the total district sales by the number of sales team members in the district.

The three relationships were examined using correlational analysis. The following section describes the key findings.

Research Questions

Utilizing the Multifactor Leadership Questionnaire (MLQ 5X) and the Psychological Capital Questionnaire (PCQ) this study explored the potential relationship between the styles of leaders styles and the psychological capital of the followers. The research aimed to answer the following questions:

1. What correlation exists between the styles of leaders as measured by the MLQ 5X, and psychological capital attributes of followers (hope, efficacy, resiliency, and optimism) as measured by the PCQ in a national home improvement organization?
2. Is there a correlation between productivity and either psychological capital of the followers, the leadership style, or both?

Discussion of Key Findings

This study researched the factors of PCQ, the factors of MLQ 5X, and the average district sales to see if there is a correlation between data points. Correlation strives to understand to what extent two variables have a linear relationship. That is to say, if there is positive correlation as one variable increases so does the second. In a negative correlation, as one variable increases the other variable decreases. Both can have significant relationship to one another. Correlation is a relationship, and is not an indicator of causality. Any of the presented findings should be viewed as a relationship and inferences should not be made that denoted that a particular variable causes another variable to be strengthened. For instance, it would not be appropriate to suggest that a particular leadership style causes sales to increase. Rather, this study examined variables to examine if there is a potential relationship. This study found that there are both positive and negative correlations between variables. Additionally, non-correlative relationships were identified, thus giving room for further identification, conversation, and research.

The comparison focused on the 5 attributes of PCQ and the 13 characteristics of MLQ 5X. The correlation explored the potential relationship between the 65 relationships. The PCQ scores were broken down into the categories of PCQ Overall, Hope, Efficacy, Resiliency, and Optimism. The MLQ 5X scores were broken down into the categories of Builds Trust (IIA), Acts with Integrity (IIB), Encourages Others (IM), Encourages Innovative Thinking (IS), Coaches and

Develops People (IC), Rewards Achievement (CR), Monitors Deviations and Mistakes (MBEA), Fights Fires (MBEP), Avoids Involvement (LF), Generates Extra Effort (EE), Is Productive (EFF), Generates Satisfaction (SAT), and Transformational Leadership.

A total of 59 leaders took the MLQ 5X and 151 sales associates took the PCQ. There are 28 districts. There were no major effects of leadership style on sales productivity, or PsyCap on sales productivity. There were, however, several effects of leadership style on psychological capital, as well as leadership style on sales productivity listed below:

- The MLQ 5X scores were stack ranked for all districts to understand the highest-ranking leadership characteristics across all districts. The characteristics with the highest score (based on a 5-point scale: 0 = Not at all to 4 = Frequently, if not always) were Encourages Others (IM, $M = 3.55$) and Coaches and Develops People (IC, $M = 3.45$). These scores, along with the other characteristics of transformational leadership show that the organization tends to have more transformational leaders compared to either transactional or laissez-faire leaders. The characteristic on the low end of the stack ranking was Avoids Involvement (LF, $M = 0.39$).
- The PCQ scores were stack ranked for all individual sales associates. The highest score (based on a 6-point scale; 1 = Strongly Disagree to 6 = Strongly Agree) was Efficacy ($M = 5.28$). The lowest score was Hope ($M = 4.93$). The spread between the high Efficacy and low Hope is very small, and therefore the average Overall was also high ($M = 5.14$).
- The MLQ 5X characteristics Coach and Develop People (IC) had a moderate correlation to sales teams with hope, efficacy, and overall PCQ. The data suggests

that the singular greatest impact a leader had on the sales team PCQ scores is by utilizing the Coach and Develop People characteristic.

- There are several MLQ 5X scores that had a moderate positive correlation to the PCQ attribute of efficacy. Of the 13 MLQ 5X characteristics, 9 were of at least moderate positive correlation to efficacy.
- There are no correlative data points that suggest that teams with higher PCQ also had higher sales performance.
- Leaders that utilize the Rewards Achievement (CR) attribute of the MLQ 5X have a negative impact on sales productivity.
- Leaders that Generate Satisfaction (SAT) have sales teams that have higher sales averages.

The research study found that there were no major effects of leadership styles on either psychological capital or sales productivity. There were, however, several moderate effects with specific sub elements. There was a moderate effect of the leadership attribute of coaching and developing people on both the psychological attributes of efficacy and hope as well as the overall psychological capital score. This would suggest that, as leaders are more cognizant and skilled at coaching and developing employees, that the employee will feel more efficacious and will have a greater sense of hope. The literature affirms that employees that have hope tend to have greater life satisfaction (Bailey et al., 2007).

The study also found that as leaders generate satisfaction, or as employees are satisfied with the leadership, that sales performance is stronger. Pairing characteristics of coaching and developing with generates satisfaction is tied to both the psychological capital of the individual sales associate as well as a feeling of satisfaction. This pairing demonstrates an increase in sales productivity.

Conclusions

There are several conclusions that can be drawn from analysis of the data collected, each related specifically to a research question. This section will list the conclusions, discuss the analysis, and relate the analysis to the research question.

Conclusion #1. Transformative leadership styles and characteristics have some very specific positive impact on the employee psychological capital.

Analysis. An analysis of the data suggested that leaders that embody transformational leadership characteristics had sales teams that had higher psychological capital. Specifically, leaders that have the Coach and Develop (IC) characteristic had sales teams that embodied higher hope and efficacy and had a higher overall PCQ score.

In addition to the Coaching and Developing (IC) characteristic, leaders that Build Trust (IIA) had sales teams that had a higher overall PCQ score as well as higher efficacy.

Overall, the data suggested that employee efficacy is correlated to leaders that Build Trust (IIA), Acts with Integrity (IIB), Encourages Others (IM), Coaches and Develops People (IC). These four characteristics are four of the five I's of transformational leadership. This suggests that leaders that are transformational in nature have teams that have higher efficacy.

Conclusion #2. Non-Transformational leadership styles and characteristics have little impact on employee psychological capital.

Analysis. Transactional leadership is based on leaders that reward achievement (CR) and manage-by-exception: active (MBEA) (Avolio & Bass, 2004). It was found that leaders that Rewards Achievement (CR) have sales teams that have a higher efficacy PCQ score. No correlation was found between manage-by-exception: active (MBEA) and any of the PCQ scores.

Passive/avoidant, or the lack of leadership is based on the two characteristics management-by-exception: passive (MBEP) and laissez-faire (LF). Neither of the two passive/avoidant characteristics were correlated to the PCQ scores.

Given this analysis, the only non-transformational leadership style that correlated to the PCQ scores were leaders that reward achievement (CR).

Conclusion #3. Higher psychological capital (PsyCap) had no significant effect on productivity measured by sales performance.

Analysis. The data suggested no positive correlation between psychological capital and productivity of the sales team. None of the PCQ scores had a correlation to either individual or district sales performance.

This research differs from findings in the literature. Youssef and Luthans (2007) found that both hope and optimism were related to performance. Another research study suggests that “optimists outsold the pessimists by 20 to 40 percent” (Schulman, 1999, p. 34).

Conclusion #4. Leaders that have transformational leadership characteristics have districts with higher productivity.

Analysis. A district that possesses more favorable leadership scores will have higher than average sales per person, received partial support. For this study the literature defined favorable leadership as a leader that maintains a transformational leadership style. The leader does not need to maintain all of the transformational leadership styles, but the greater the transformational leadership score, the greater impact it could have on the business. The research found that leaders that were transformational in nature and build trust, encourages, coaches, develops, and generates satisfaction have teams that perform well in sales. This correlative behavior supports the literature that suggests that leadership that work to transform the employee create teams have higher performance metrics.

Leaders that were transformational in nature and build trust, encourage others, coaches and develops, and generate satisfaction have districts that had higher sales productivity. This would suggest that leaders that focus on building trust, encouraging others, generate satisfaction, and are transformational in nature would have higher sales productivity.

It was also found that leaders that reward achievement or were passive/avoidant had a negative correlation with sales productivity. This would suggest that that transactional and passive/avoidant leadership negatively impacts sales.

Implications for Policy or Practice

Modest results of the study still have many interesting actionable implications for practice. The specific nature of the results suggest certain modifications of training and development in practice. The relationship of transformational leadership and of generating satisfaction to PsyCap have developmental implications. However, it is best if results are corroborated with other studies before significant changes in long-term policy were implemented.

Leadership. Given that sales productivity is tied to the leadership characteristics of Generating Satisfaction (SAT) and Transformational Leadership, the organization should implement a training program for leadership that focuses on the development of Generating Satisfaction and Transformational Leadership.

Passive/Avoidant. As noted, it was also found that teams that have leaders that are laissez-faire had sales numbers that are negatively impacted. As leaders fail to engage it appears the sales numbers decrease. From the organizational implication, it would be important for the leadership team to receive coaching and training that directly ties to moving away from a hands-

off leadership style to one that strives to transform the employees. Since laissez-faire is the absence of leadership, the relationship to coaching is in direct opposition.

Coaching and developing. A further recommendation for the organization would be to develop training on how to Coaches and Develops People (CR). The research found that the leadership teams that used coaching and developing practice on their teams tended to have sales associates that had hope and efficacy. The more leaders coach and develop their employees, the greater satisfaction is created in the workplace, and the greater impact it will have on employee confidence and hope. The hands on approach of coaching and developing is a crucial point that the organization should focus its efforts on. The data clearly suggests that as the organization focus on teaching transformational leadership the greater impact it will have on the employees and sales.

PsyCap. According to the literature (Magaletta & Oliver, 1999; Youssef & Luthans, 2007), as Hope increases in a workplace the employees are more innovative and can create multiple pathways to solve workplace roadblocks. Although the data did not directly correlate Hope to Sales performance, the literature suggests that teams that improve hope tend to have higher sales numbers (Youssef & Luthans, 2007) and performance (S. J. Peterson et al., 2011).

Additionally, as the organization focuses on the coaching and developing characteristics of leadership there is a positive correlation to the sales teams PCQ scores of efficacy and confidence. While the literature suggests that teams with higher efficacy also tend to have higher work-related performance (Stajkovic & Luthans, 1998a) and sales revenue (S. J. Peterson et al., 2011), this research did not support the literature. However, the focus on developing a confident sales workforce impacts a positive work atmosphere and thus generates satisfaction.

Implications summary. Based on what we have found, organizations would benefit with more time spent in coaching and developing practices as well as implementing leadership training programs that focus on transformational leadership.

Additionally, the implication to hiring practices should be considered. As sales organizations look to hire leaders and sales staff the findings in this research could add in their organizational decisions.

It is imperative that organizations do not fire people that do not fit the coach and develop mold. Nor should the organization create rules that state the leaders that do not epitomize the coaching philosophy should be demoted from a leadership position. The heart of transformational leadership is the belief that people and processes can be influenced and that organizational and individual potential can be increased (Avolio & Bass, 2004). Using the framework of development and transformational leadership, organizations should seek opportunities to incentivize change that will bring about the lasting impacts of transformational leadership.

Recommendations for Further Study

The following future study recommendations may contribute to the body of knowledge.

- A future study could be conducted wherein the participants are given a series of PCQ assessments over time, thus changing the project to a longitudinal project. Since PCQ is state-like and therefore can be changed and developed (F. Luthans, Avolio, Avey et al., 2007), the researcher would implement a series of training courses that are intended to raise one or more of the PCQ attributes. The PCQ would be administered to the same population 30-days after completion of the 4-hour mini-intervention. The PCQ would then be given a third and final time 120

days the first PCQ administration. Sales data would be collected all three times as well to see if there is a change in sales productivity.

- The second future study would be to add perceptions of leadership styles by employees. This would develop a study that is based on not only how leaders see themselves, but also how they are seen. This approach might increase correlation since the two disparate groups, sales and leaders, would be from the singular view of the sales individual.
- A third potential future study would be to repeat the same study over longer sales cycles. This particular organization sells large ticket projects for home improvement such as kitchen remodeling or whole-house window replacement. Average sales for a singular purchase can be in the tens of thousands of dollars. Large remodeling projects are based on relationship sales. If the project accounted for the average sales numbers per district over a longer period of time, there may be linear correlation between the PCQ scores and the average sales per district. Larger priced remodel projects tend to be more geared towards the spring and summer months. The late October snapshot could have been lower due to the approaching holiday months. As such, the sales numbers would reflect the decrease in relationship building opportunities.
- A fourth potential future study would be to separate the sales associates into buckets based on type of product they sell. For instance, the sales associates that sell full kitchen remodels have higher per item transactions compared to the sales individual that only sells windows or flooring.
- A fifth potential study would be to look at the hiring practices of the senior management to determine if the interview and selection process identifies new

leaders as having a particular leadership skill. This research project noted that leaders that maintained higher coaching and developing people (IC) characteristics also had teams that had higher average sales. The study could identify a set of interview questions and determine if the potential applicant has a propensity to coach and develop. If so, the applicant could be given the MLQ 5X and then courses that develop the coaching skillset. After a period of time the researcher would again measure the new leader to see if there has been a change in state from interview date to end of training date.

- The sixth future study recommendation would be to use the same basis of MLQ 5X of leaders and PCQ of sales associates, but also add a qualitative piece. The qualitative exploration would identify the verbiage that coaching and developing people utilize to develop the sales associates. A further qualitative study would identify the potential “Why employees feel that the leader coaches and develops.” Thus giving a more rounded image of the leadership skillset.
- The seventh recommendation would be to examine the leadership characteristics utilizing the PCQ and sales data points. This study could identify the leader PCQ score and determine if sales data is driven by leaders that tend to have higher, lower, or different PCQ scores.
- An eighth recommendation would be to administer the MLQ 5X to the leaders and determine the specific leadership profile (transformational, transaction, laissez-faire, etc.). The same group of leaders would then take the PCQ. Correlate the two scores, MLQ 5X and PCQ, to the sales data. The study would look at the intersection of MLQ 5X characteristics and PCQ attributes for each leader, thus giving further insight into positive leadership.

- A ninth recommendation would be to bifurcate the results by geographic region to study the implications of regional norms. For instance, it would be interesting to view the data sets as East vs. West to see if there are regional differences.
- A tenth recommendation would be to include another region in the data sets. This study only focused on two of the three potential regions. After completing the research, the researcher found that one of the regions has notorious low response rates to questionnaires and communications requests. There is a third region that could have been used, but the researcher chose to continue with the two chosen regions. Had the researcher communicated with the three region leaders and asked if their areas would like to participate in the research it is possible that the response rates would have been higher.
- Recommendation eleven would be to extend the time allotted for the sales staff to complete the assessment. Although the response rate was over 40% for the leadership team, the response rate received from the sales team was less than 25%, thus there is a segment of the population that was not served due to lack of responses from the district or leadership. Had more time been given the sales teams to complete the survey, it is possible that the response rate would have been higher. It is interesting to note that there were several district offices that had sub 10% response rates. The subpar numbers represented a lack of symmetry and balance from the population.
- The intent of this research was to take a snapshot-in-time to explore potential linear correlation between the leadership team and the sales team. Productivity in a sales organization can ebb and flow based on the product and season. For instance it is typical for air conditioning units to have higher sales numbers in the

warmer months of the year. During the study period the temperatures may have been cooler than the annual average, thus driving down the air conditioning sales. Had the research been conducted over a longer period of time it is possible that the averages across all product lines would normalize instead of having some sales associates have inordinately lower sales while being compared to product lines that had a higher than average sales period.

- A thirteenth potential future research study would be to examine the PCQ scores relative to the response rates. For instance, does a team with higher response rates also have higher PCQ scores?
- The fourteenth potential future research study would be to further investigate the correlation between the PCQ and MLQ 5X assessments. Little research has been conducted that indicates relationship, or potential causality. As of the completion of this research study, there are no known studies that have examined the correlation between the PCQ and MLQ 5X. The current study conducted should pave the way for further research and application.

Summary

The purpose of this study was to measure the extent to which the leadership style of the leadership team correlates to the psychological capital of the sales team. Additionally, the study examined to see if there was any correlation between 1) leadership style and sales productivity, 2) psychological capital and sales productivity, and 3) leadership style and psychological capital with sales productivity.

A total of 59 organizational leaders took the MLQ 5X assessment to determine leadership style and characteristics. The assessment score indicated the individual leadership style

(transactional, transformational, or laissez-faire) as well as subscores indicating characteristics. A total of 151 sales associates took the PCQ assessment to determine the individual PsyCap score as well as the four subscores for hope, efficacy, resiliency, and optimism. The results from the two assessments (MLQ 5X and PCQ) were correlated to examine the potential relationships between the characteristics. Additionally, sales productivity was measured utilizing the average district sales for each of the 28 district offices.

While strong correlation was not identified between PCQ/average sales, there was moderate correlation between the MLQ 5X scores of the leadership team and the PCQ of the sales team. Additionally, it was found that there was a positive correlative relationship between the MLQ 5X attribute of coaches and develops people to the PCQ attribute of efficacy, hope, and overall PCQ. Furthermore, the study identified that the MLQ 5X attribute of rewards achievement and laissez-faire had a negative relationship with average sales productivity.

The findings from this study have incrementally increased the body of knowledge in regards to the relationship between leadership styles and psychological capital within a sales organization. The results help to identify coaching strategies that increase psychological capital and sales. As organizations develop employees through coaching, both general satisfaction of the workforce as well as sales productivity increase. Thus creating an environment wherein the employee gains work satisfaction and the organization increases revenue.

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APPENDIX A

Multifactor Leadership Questionnaire

For use by Mark Leonard only. Received from Mind Garden, Inc. on April 16, 2015

**Multifactor Leadership Questionnaire
Leader Form**

My Name: _____ Date: _____

Organization ID #: _____ Leader ID #: _____

This questionnaire is to describe your leadership style as you perceive it. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.**

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals.

Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4
1. I provide others with assistance in exchange for their efforts	0	1	2	3 4
2. I re-examine critical assumptions to question whether they are appropriate	0	1	2	3 4
3. I fail to interfere until problems become serious	0	1	2	3 4
4. I focus attention on irregularities, mistakes, exceptions, and deviations from standards	0	1	2	3 4
5. I avoid getting involved when important issues arise	0	1	2	3 4

Sample MLQ 5X

APPENDIX B

Psychological Capital Questionnaire (PCQ) Self Rater Form

For use by Mark Leonard only. Received from Mind Garden, Inc. on August 26, 2015

Psychological Capital Questionnaire (PCQ) Self-Rater Form

Name: _____ Date: _____

Instructions: Below are statements that describe how you may think about yourself **right now**. Use the following scale to indicate your level of agreement or disagreement with each statement.

Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6

1. I feel confident analyzing a long-term problem to find a solution. 1 2 3 4 5 6
2. I feel confident in representing my work area in meetings with management. 1 2 3 4 5 6
3. I feel confident contributing to discussions about the organization's strategy. 1 2 3 4 5 6

Sample PCQ

APPENDIX C

IRB Approval



Pepperdine University
24255 Pacific Coast Highway
Malibu, CA 90263
TEL: 310-506-4000

NOTICE OF APPROVAL FOR HUMAN RESEARCH

Date: October 13, 2015

Protocol Investigator Name: Mark Leonard

Protocol #: 15-09-064

Project Title: Leadership Styles and Psychological Capital in a Home Improvement Organization

School: Graduate School of Education and Psychology

Dear Mark Leonard:

Thank you for submitting your application for exempt review to Pepperdine University's Institutional Review Board (IRB). We appreciate the work you have done on your proposal. The IRB has reviewed your submitted IRB application and all ancillary materials. Upon review, the IRB has determined that the above entitled project meets the requirements for exemption under the federal regulations 45 CFR 46.101 that govern the protections of human subjects.

Your research must be conducted according to the proposal that was submitted to the IRB. If changes to the approved protocol occur, a revised protocol must be reviewed and approved by the IRB before implementation. For any proposed changes in your research protocol, please submit an amendment to the IRB. Since your study falls under exemption, there is no requirement for continuing IRB review of your project. Please be aware that changes to your protocol may prevent the research from qualifying for exemption from 45 CFR 46.101 and require submission of a new IRB application or other materials to the IRB.

A goal of the IRB is to prevent negative occurrences during any research study. However, despite the best intent, unforeseen circumstances or events may arise during the research. If an unexpected situation or adverse event happens during your investigation, please notify the IRB as soon as possible. We will ask for a complete written explanation of the event and your written response. Other actions also may be required depending on the nature of the event. Details regarding the timeframe in which adverse events must be reported to the IRB and documenting the adverse event can be found in the *Pepperdine University Protection of Human Participants in Research: Policies and Procedures Manual* at community.pepperdine.edu/irb.

Please refer to the protocol number denoted above in all communication or correspondence related to your application and this approval. Should you have additional questions or require clarification of the contents of this letter, please contact the IRB Office. On behalf of the IRB, I wish you success in this scholarly pursuit.

Sincerely,

Judy Ho, Ph.D., IRB Chairperson

cc: Dr. Lee Kats, Vice Provost for Research and Strategic Initiatives

APPENDIX D

Questionnaire Invitation

October 14, 2015

Home Improvement Associates,

In conjunction with the leadership team and with the support of XXXXX XXXXX, I am conducting a study to better understand the field leadership and team productivity. This study is part of my dissertation and your voluntary participation is appreciated.

The study will examine two different groups:

- **RVP, AGM, and DSM** – Your questionnaire will examine the leadership styles found within this leadership team.
- **SM, MIT, and Sales Associates** – Your questionnaire will examine the group psychological capital (Hope, Efficacy, Resiliency, and Optimism).

Over the next few days you will receive an email from Mind Garden, LLC providing you a link. They survey should take less than 15 minutes to complete.

If at any time you wish to withdraw from the study, you may do so without any repercussions or penalties. Your participation in the study is voluntary and is not mandated. There are no costs involved for you participation, and there are minimal risks.

Your specific answers to the questionnaires will be confidential and/or anonymous. I will not share individual answers with anyone at XXXXX XXXXX or with any other entity.

If you have any questions or concerns regarding the study, you may contact either:

Mark Leonard
@pepperdine.edu

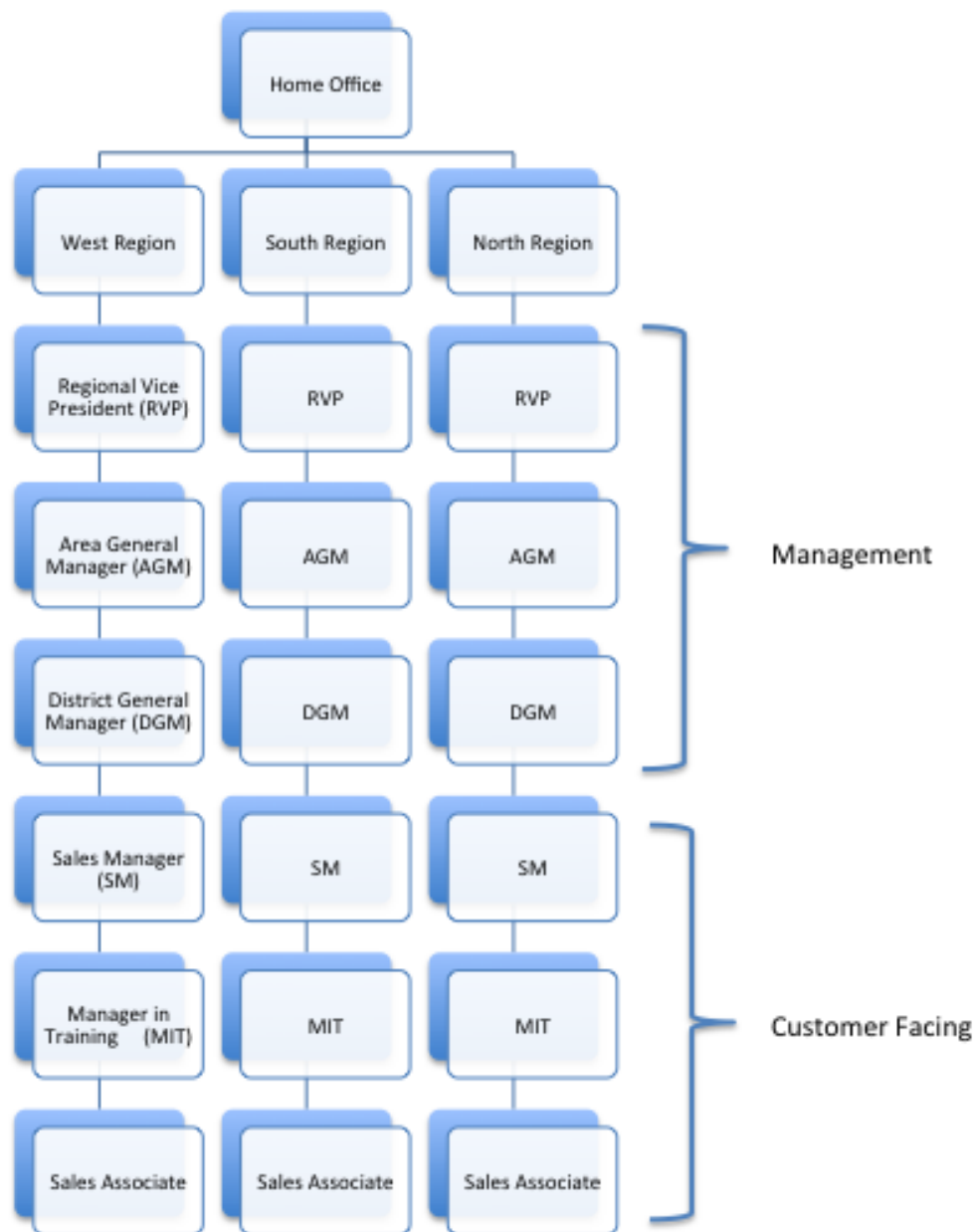
Paul Sparks, PhD
@pepperdine.edu

Thank you for your assistance as we work together to better understand how we can “Wow” our members as they “shop their way”.

Mark Leonard

APPENDIX E

Organizational Hierarchy Chart



APPENDIX F
MLQ Permission to Use

For use by Mark Leonard only. Received from Mind Garden, Inc. on February 26, 2016



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Authors: *Bruce Avolio and Bernard Bass*

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Sincerely,

A handwritten signature in black ink, appearing to read "Robert Most", with a long horizontal line extending to the right.

Robert Most
Mind Garden, Inc.
www.mindgarden.com

APPENDIX G

PCQ Permission to Use

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Authors: Fred Luthans, Bruce J. Avolio & James B. Avey.

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Sincerely,

Robert Most
Mind Garden, Inc.